

# Audit's<sup>®</sup> NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

# Realty Trust Review

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## QUARTERLY RELATIVE APPEAL RANKING ISSUE

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### INVESTMENT STRATEGY: LOWER INTEREST RATES LEAD TO RENASCENCE OF WORKOUTS, OFFERINGS

In the three months since our last Relative Appeal Ranking issue, the most striking occurrence in the REIT industry has been the blossoming of new deals--workouts, bank agreements, purchases of properties for shares--among some of the long dormant nonqualified trusts, and new offerings in the equity/debt markets by some of the qualified REITs.

Lower interest rates have been the catalyst for these occurrences, providing a more congenial atmosphere for creative financing, especially for what have been the more speculative issues. The banks, too, in some cases, have been persuaded into providing new credit agreements which continue to carry the trust at below market rates--although in other cases, admittedly, patience has run out and rates have been jacked up to the market.

The market has reacted favorably to news of most deals, even where dilution is to result. Both First Pennsylvania Mtg. and Republic Mtg. have seen their

prices rise despite sharp potential increases in shares outstanding, although Plaza Realty's price has fallen off slightly. Most of the other nonqualified trusts with new deals pending or recently completed have risen, among them FGI Investors, First of Denver Mtg., GMR Properties, and Institutional Investors.

Another favored market ploy, as we noted in our August 22 statistical issue, has been the sale of assets to capture appreciation. American Realty, Growth Realty, Bay Financial, Property Capital and others are taking advantage of dollars back in the real estate market now that interest rates have dropped. And Denver REIA, which had contracted to sell its assets for \$35/share, or a 100% premium over gross book value (and a 300% premium over net book value), has said that another group, of Canadian investors, has announced that it may offer to acquire the trust's assets.

We've changed no rankings in this issue, but more aggressive investors may be interested in pursuing workout/liquidation candidates, as identified in our Comment.

### WITH OUR SISTER SERVICE

*HOUSING & REALTY INVESTOR's September 19 issue will contain Relative Appeal Rankings for merchant builders, investment builders and mortgage finance companies.*

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# INSIDE THE REALTY TRUSTS: JOCKEYING FOR POSITION AND INDICATORS TO SEARCH OUT

The realty trusts are caught by momentous changes. These lists should help you focus on the major trends you like:

1. Outsiders are buying major blocks of stock and sometimes pressing liquidation fights or proxy contests for new trustees (none now pending).

2. Insiders/managers are trying to a) use massive taxloss carryforwards by buying assets or seeking mergers, or b) incorporating, often seeking staggered boards or other "shark repellants."

3. Some are pairing tax-conduit passive REITs with companies to get both high dividends and active management.

## MAJOR BUYING GROUPS IN REALTY TRUSTS:

These groups or organizations report holding over 5% of shares of two or more realty trusts in latest 13-D filings with S.E.C. Some sales may not be reported. See individual reviews:

American Financial Corp., financial holding company; Compass Inv., First Mtg., Kenilworth Realty; North American Mtg.; Triton Group.

Clyde W. Engle (Telvest, Inc.), Chicago investor; Indiana Financial; Wisconsin REIT.

Deltec Panamerica, S.A., Panama holding co. for N.Y.C. broker: First Denver; First Newport; GMR Props.; Mortgage Inv. of Wash.; Westport Co.; CMT Inv.

Drexel Burnham Lambert, U.S. securities broker; Maryland Rl.; Tri-South Mtg.

Eastover/Leland Speed/Brent Baird, former REIT & its new managers: Amer. Rl.; Citizens Growth; Eastover Corp.; First Carolina Inv.; ICM Realty; Kentucky Prop.; Nat'l. Mtg.; Parkway.

Loyal Amer. Life Insur. Co., U.S. insurance co. owned by Imperial Life Assurance Co. of Can.; Riviere Realty; Southmark Props.

Edwin Morgens/Bruce Waterfall, NYC advisers to foreign investors: Great American M&I; Towermarc (First Mem.)

Unicorp Finc'l. Corp., Toronto holding co. controlled by Geo. Mann: First Union; GREIT; REIT of America; San Francisco RE.

Morse Van Horn/Lincoln Mtg., new mgrs. of former REIT: Builders Inv. Gr.; Lincoln Mtg.

SZRL Investments, private investors, Clevetrust Rlty.; Hamilton Inv.

## TRUSTS ESTIMATING CURRENT ASSET VALUES:

These trusts or companies give either management or external estimates of current market value of assets (see reviews): Denver REIA; Amer. Realty, BankAmerica Rlty, First Union Rlty.; Growth Realty; Great Amer. M&I\*; Pacific Rl.; Property Capital; B.F. Saul; TIERCO\*; U.S. Realty; Virginia REIT; University REIT (not reviewed).

\* New market values included in restated book value.

ACQUISITIONS OR MERGERS PENDING: BT Mtg. (w/Leroy Prop.); Midland Mtg. (w/Snowmass Oil); Nationwide RE (w/Old Stone Corp.); Security Capital (to acq. Benj. Franklin Sav. Assn., Houston); Southmark Props. (w/Gene W. Phillips entities).

Mergers/acquisitions completed: Sutro Mtg. into PNB Mtg. 10/79; Viking, Inc. into TIERCO 10/79; Greenville Corp. into State Mut. Inv. 1/80. Investors Realty and Summit Props. into IRT Props. 5/79.

Deals called off: Heitman Mtg. & shop. ctr.; Vyquest Trust & Prime Motor; U.S. Realty acq. of MDC, Inc. Gould Inv. & Plaza Realty; UMET Trust & Grubb & Ellis.

NEW NAMES APPROVED & PENDING: Tri-South Mtg. becomes Tri-South Investments, Inc.; Independence Mtg. becomes Independence Holding Co.; United Realty Trust becomes United Realty Investors, Inc.

Pending, most converting to corporations: Diversified Mtg. to DMG, Inc.; First Mtg. Inv. to FMI Financial.

PAIRED STOCKS: Stocks of two companies are traded as single units for: Santa Anita Realty and Hotel Investors. Washington REIT and IRT Properties have paired proposals pending.

ASSET SALE/LIQUIDATION PROPOSALS: Denver REIA; Franklin Realty; Kenilworth Rl.; Moraga Corp.; Central Mtg.; Virginia REIT; B.F. Saul (by a shareholder). See reviews for details.

SETTLED PROXY FIGHTS over trustee elections: FGI Investors; Henry S. Miller Rl.; Wisconsin REIT. (See reviews for details).



## Relative Appeal Rankings

Relative Appeal (RA) Rankings, shown at extreme left, give Audit Investment Research's current view of relative attractiveness of new share purchases. All trusts are ranked from No. 1 to 5 based on individual dividend and earnings outlook compared to the overall market. "N" beside a ranking denotes a non-dividend paying trust or former trust. Each summary contains brief comment and advice upon the securities. Changes in rankings are indicated by ↑ UP and ↓ DOWN. Relative Appeal Rankings mean:

1--Highest appeal; recommended for purchase/strong hold.

2--Above-average appeal, higher market risk.

3--Average appeal and market risk.

4--Below average appeal, higher market risk.

5--Least general appeal; special situations suitable for sophisticated investors only.

NON-DIVIDEND PAYING trusts are not recommended for income investors but may have trading appeal as speculations upon quick or large price moves on asset swaps, interest changes, etc.

All numbers are amounts per share except those denoted "M" or "T" for millions and thousands respectively. E or Est.=Estimates for current or next years. EPS=Earnings per share. CFS=Net cash flow per share as computed by Audit. #=Trusts evaluated on net cash flow basis. d=Deficit. FY=Fiscal year. p=Preliminary. w=With. incl=Including. All data, rankings and advice reviewed to publication date. See footnotes p.24 for important information on Tax status, Taxloss carry-forwards, Depreciation, Loss Reserve, Net Cash Flow. Bid prices used for OTC stocks.

3N-AMER CENTURY MI: \$7.50 (ACT-NYSE) SHARE DATA:

2607T, Net book \$ 9.05; Deprec. \$0.78; Loss resv. \$2.24; Taxloss \$8.44. ASSETS \$48.0M: 30% Invstmt prop, 39% Mtgs, 31% Foreclosed; 23% nonearn + 8% lowearn. DIVIDEND: \$0.00. FINANCE: \$20.1M debt is .9X \$23.6M equity.  

EPS:	Sept.	Dec.	Mar.	June	Year
FY'79	d 7c	d17c	d 9c	32c	d1c
FY'80	15ca	1.19a	41ca	1.88a	3.63a

a-Incl. \$2.97 sale & taxloss benefits.

Position: After sale in 6/80 quarter of largest asset, Century Bldg. in Arlington, Va., for \$25M, portfolio is 38% operating props., 20% land; 18% permanent loans. Sale proceeds used to reduce bank debt to \$8M @ 10% maximum to 12/81. Building accounted for 50% of forecl. props. & 30% of total invstmnts. Expect to retire all bank debt by 12/81 & operate at profit in FY'81. Banks hold wts. for 450T shs. @ \$5.69 to 9/85.

Comment: Hold for recovery on improving props.

1 -AM EQUITY INV #: \$16.25 (AEQTS-OTC) SHARE DATA:

2497T, Net book \$ 7.43 + Deprec. \$4.05; Loss resv. \$0.17; Taxloss \$0.00. ASSETS \$51.1M: 73% Invstmt prop, 27% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.55. FINANCE: \$34.9M debt is 1.9X \$18.6M equity.  

EPS/CFS:	Mar.	June	Sept.	Dec.	Year
1979	16/23	61/66a	90/95a	32/38a	1.99/2.22a
1980	26/30	1.01/1.05a			

a-Incl. sale gains: \$1.91 '79; 79c '80.

Position: Assets mostly garden apts. w/3,272 units; 82% Sunbelt, w/55% Tex. Mortgages are on props. sold; trust doesn't originate. Shares are mainly income vehicles; trust augments cash flow by turning over portfolio, but upgrading dispositions nearly completed & positioning to expand hi-income producing props. Divs. paid thru three loss yrs. in mid-70's, w/result that since formation 8/68 thru 12/79, tax status of divs. was 63% return of cap., 29% cap. gains, & 8% ordinary income. Comment: Buy for quality yield.

(Ranked No. 1 12/7/79 @ \$10.13)

3N-AMER FLETCHER M: \$3.00 (AFMIS-OTC) SHARE DATA:

1352T, Net book \$ 1.86; Deprec. \$0.00; Loss resv. \$3.12; Taxloss \$19.77. ASSETS \$24.1M: 7% Invstmt prop, 42% Mtgs, 51% Foreclosed; 64% nonearn + 8% lowearn. DIVIDEND: \$0.00. FINANCE: \$14.7M debt is 5.9X \$2.5M equity.  

EPS	Apr.	July	Oct.	Jan.	Year
FY'80	d17c	d11c	28cb	22ca	0.22ab
FY'81	7ca				

a-Taxloss benefits: 9c '80; 2c '81.

b-34c int. recov., 12c reversal.

Position: Began as construction/development lender '69; ceased new loans in 1974. Since has been liquidating props. to repay debt down from \$93M. Remaining assets 71% land/develop.; mostly Ind. & Fla. Debt is all bank to 12/31/82 accrued @ 4% (pays 2% cash) + contingent int. @ 114% prime. During FY'80, some 22% of total revenues derived from a \$3.3M development loan, due 12/81, yielding 13% in fiscal year. Comment: Hi-risk speculation on property sales & possible acquisition; Seville Corp. owns 9.9%.

5N-AMER REALTY: \$4.25 (ARB-OTC) SHARE DATA:

2222T, Net book \$ 3.42; Deprec. \$4.06; Loss resv. \$0.37; Taxloss \$1.33. ASSETS \$34.1M: 74% Invstmt prop, 18% Mtgs, 8% Foreclosed; 41% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$21.9M debt is 2.9X \$7.6M equity.  

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	d73ca	4ca	10c	43ca	d16ca
FY'80	3c	d19c			

a-Incl. 57c sale gain.

Position: Began as owner of hotels/motels 1961, moving into mtg. lending in the early 1970's; serious problems in both areas. Continues to have cash flow problems, stemming from required payments on debt; is in default on several obligations incl. \$3½M of 9½% debts. due 3/79 & \$1.5M of 7% convts., for which judgment awarded against trust; a \$2.6M collateralized demand loan also called. Trust seeking to restructure demand debt. Four Wash. D.C. area hotels (31% of assets) contribute 51% of revs., other props. 38%, & mtg. loans 11%. Selling Williamsburg, VA motel for \$8M, or \$2.10/sh. gain. Assets include 24% raw land;



deal to sell Atlanta parcel f/\$1.80/sh gain off, \$150T deposit forfeited. Trust est. real book value of \$20/sh. Comment: Sophisticated speculation on restructuring to restore liquidity, lend sales to retire debt. Broker Brent Baird owns 5.5%, on board.

2N-ANRET INC: \$9.75 (ARET-PHSE) SHARE DATA:

509T, Net book \$19.66; Deprec. \$0.35; Loss resv. \$7.76; Taxloss \$20.38. ASSETS \$21.0M: 0% Invstmt prop, 70% Mtgs, 30% Foreclosed; 37% nonearn + 24% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.6M debt is .5X \$10.0M equity.  
 EPS: 

	Nov.	Feb.	May	Aug.	Year
FY'79	d 7c	d41c	d24c	d1.31	d\$2.93a
FY'80	d12c	d68c	d44c		

a-Adj. for 2-for-5 split 10/15/79.

Position: Co. successor to mtg. trust; since 1974, liquidating holdings resulting from construction/development lending to pay debt, all bank at 132% of prime. High prime & poor RE market have been hurting; co. defaulted on \$623T payment 3/80, since paid, but owes \$5.9M (incl. accrued interest) 1/31/81. Assets 69% Tex. & Fla.; 29% apts., 19% land. Comment: Long-term hold below book; after debt retired, expect trust to continue liquidation, reinvest in securities for tax-free income. Lee Balter/Reed Rubin w/21.3% of shs. control.

3N-API TRUST: \$3.88 (APITS-OTC) SHARE DATA:

1012T, Net book \$ 7.89; Deprec. \$1.06; Loss resv. \$0.68; Taxloss \$N/A. ASSETS \$26.9M: 37% Invstmt prop, 63% Mtgs, 0% Foreclosed; 9% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$18.7M debt is 2.3X \$8.0M equity.  
 EPS: 

	June	Sept.	Dec.	Mar.	Year
FY'79	32cb	d19cb	3cb	63cb	77cb
FY'80	3ca	50ca	9ca	d48ca	14ca

b-Incl. 50c asset sale gains & 42c reduct. of reserve on Arlen loans. a-Incl. 47c gain. Position: Trust established by Arlen Realty & Devel. Corp. 6/71. Fiscal '80, trust revenues derived 31% from props. & 69% from mtgs.; ARDC as tenant or borrower was source of 41% of revenues. Debt is \$11M mtgs., \$5M bank, & \$2M convt. note held by ARDC; bank debt @ prime + 1.5%, due 9/1/81; ARDC plans to convert \$2.3M notes & will hold 36% of shs. Props. are mainly shop. ctrs.; Mtgs. include \$6M loans to ARDC. Comment: Spec. on asset sales to pay banks; First Carolina & Brent Baird own 25.8% & may seek to takeover management; Shelbourne Assoc. own 7.9%.

3 -BANKAMER RLTY: \$21.75 (BRE-NYSE) SHARE DATA:

3571T, Net book \$17.64; Deprec. \$1.38; Loss resv. \$0.55; Taxloss \$0.00. ASSETS \$167.6M: 43% Invstmt prop, 56% Mtgs, 1% Foreclosed; 8% nonearn + 0% lowearn. DIVIDEND: \$1.60. FINANCE: \$104.8M debt is 1.7X \$63.0M equity.  
 EPS: 

	Oct.	Jan.	Apr.	July	Year
FY'79	32c	42ca	37c	34ca	\$1.45a
FY'80	23c	31ca	31ca	59ca	1.44a

a-Sale gains: 22c '79; 15c '80. Position: Trust props. about half owned RE and half land purchase leasebacks; total port. is 42% shop. ctr., 25% apt., 13% hotel, 11% off.; 59% Calif., balance in 9 other states. Appraised current value approx. \$152M for book of \$39.50/sh. Debt is rate vulnerable,

w/\$60M commcl. paper, \$11M bank term @ 117% prime, \$10M bank 8.8%. Registered \$40M convt. debens. due 2000. Low-earning assets included in nonearning category. Portfolio improving, & buying 6-3/4% convts in mkt. for sinking fund. Div. for 1979 79% cap. gains. Listed NYSE 8/80. Comment: Hold/buy long-term; largely rate play but gains seen from problem workout & increasing cash flow.

2N-BAY FINCL CORP: \$6.75 (BAY-NYSE) SHARE DATA:

3323T, Net book \$ 6.84; Deprec. \$0.28; Loss resv. \$1.87; Taxloss \$8.76. ASSETS \$154.6M: 72% Invstmt prop, 28% Mtgs, 0% Foreclosed; 48% nonearn + 11% lowearn. DIVIDEND: \$0.00. FINANCE: \$127.3M debt is 6X \$21.1M equity.

EPS: 

	Aug.	Nov.	Feb.	May	Year
FY'79	7cb	31cb	d25cb	1cb	12cb
FY'80	d3c	d16c	22ca	47ca	50ca

a-26c swap, debt repurch. & taxloss & 28c sale gains. b-96c sale gain & 3c taxloss. Position: Holding co. successor to lease-back/mtg. trust. Assets 63% completed props., 21% land, 16% construction; 20% land leasebacks; 16% Cal., 15% NY, 13% Ga., 11% Tex. Earning leasebacks & mtgs. yielding 12.6%, earning props. yielding 20.0%. Total portfolio yield 6.1%. Nonearn. assets include \$17M N.Y.C. apt. expected to be fully occupied 12/80. Agree to sell 3 land invstmt. 7/81 for \$2.8M (85c/sh.) gain. Debt \$10M @ 3% due 2/81 & \$63M @ 8½% due 5/86 + \$6.4M conting. int., \$29M mtgs. on props. Purchased \$463T 8½s in mkt. for sinking fund; 3c/sh. gain. Comment: Hold/buy longer term for slow workout, benefits of holding co.; DVM, Inc., Calif. realty co., owns 7% & President on board.

2N-BAYSWATER RLTY: \$10.75 (BRITS-OTC) SHARE DATA:

1043T, Net book \$20.26; Deprec. \$0.71; Loss resv. \$5.73; Taxloss \$N/A. ASSETS \$25.5M: 24% Invstmt prop, 67% Mtgs, 9% Foreclosed; 48% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$10.1M debt is .5X \$21.1M equity.  
 EPS: 

	Oct.	Jan.	Apr.	July	Year
FY'79	d 1c	d50c	35c	22ca	5ca
FY'80	2.73a	1.66a	28ca		

a-Incl. sale gains: \$2.18'79; \$5.12 '80. Position: Props. 44% office & industrial, 29% apts., 24% shop. ctrs.; Mtgs. 94% construction loans. Most assets in Chicago area. Fiscal 1979, real estate equity investments only minimally cash flow positive before trust expenses; high non-earning mtgs. add to difficulties. Trust expects to dispose of \$9.2M invstmnts. through FY 1983; sale gains on props. held less than 4 years for FY'80 may exceed the max. 30% of gross revs. allowed for REITs. Plans change to non-qual. corp. Offered new 10% nonconverts for 6.75% conv. sub. debts. Comment: Hold as speculation on Carl Icahn management.

3N-BRT REALTY: \$1.25 (BRT-ASE) SHARE DATA:

1400T, Net book \$ 2.25; Deprec. \$0.20; Loss resv. \$2.58; Taxloss \$2.71. ASSETS \$13.5M: 8% Invstmt prop, 67% Mtgs, 26% Foreclosed; 53% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$7.2M debt is 2.3X \$3.1M equity.  
 EPS: 

	Feb.	May	Aug.	Nov.	Year
FY'79	d 5c	d 7c	d28c	d97c	d1.37
FY'80	54ca	79ca			

a-Incl. 54c sale gain.



Position: Assets (11/79) 34% condo, 30% hotel/motel, 24% land/develop.; 21% Conn., 16% Puerto Rico, 12% Ill., 11% S.C. Sold 2 motor inns 5/80 & got interest reversal; Bank debt paid down to \$5.3M, accrues @ ½% over prime to 7/81, paying 1% cash. Ability to meet amortization schedule depends on assets sales. Comment: Less attractive spec. on recovery.

3N-BT MTG INVSTRS: \$2.75 (BTM-NYSE) SHARE DATA: 2116T, Net book \$ 0.85; Deprec. \$0.08; Loss resv. \$4.77; Taxloss \$8.18. ASSETS \$59.1M: 0% Invstmt prop, 53% Mtgs, 47% Foreclosed; 43% nonearn + 25% lowearn. DIVIDEND: \$0.00. FINANCE: \$46.8M debt is 17.2X \$2.7M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	22c	25c	3.79a	11c	4.37a
FY'80	9c	d 1c	d44c		

a-Incl. 35c back inter; \$4.54 swap gains & taxloss. b-4c taxloss. Position: Trust has had slower progress in recovery despite the best bank deal in the business. Debt is \$24M bank to 1/14/81 @ 0% if amort. sched. met & \$19M 5-3/4% debs. due 1/82. Unable to make \$10M paymt. 7/15. Nego. f/Bankers Trust (\$10M) to buy out other sr. debt at discount & swap for \$17.4M assets, contingent on merger into Leroy Prop. & Dev. Co., Nev., w/BT holders getting 20% of shs.; holder meeting expected Oct. Charan Industries holds 5.2%. Comment: Hold for merger.

4N-BUILDR INV GRP: \$2.94 (BULDS-OTC) SHARE DATA: 2844T, Net book \$ 1.57; Deprec. \$1.44; Loss resv. \$3.39; Taxloss \$13.75. ASSETS \$70.2M: 55% Invstmt prop, 23% Mtgs, 22% Foreclosed; 32% nonearn + 55% lowearn. DIVIDEND: \$0.00. FINANCE: \$49.6M debt is 11.1X \$4.5M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	46c	d35c	0c	87c	1.01a
FY'80	23c	10c			

a-\$2.86 taxloss, swap & debent. repurch. gains; doesn't add on fewer shs. b-40c taxloss, swap & debent. repurch. Position: Has swapped over three-fourths of assets to banks, but ran into problems in late 1979 when remaining assets (heavy condo & land) proved resistant to liquidation efforts. Renegotiating \$32M bank @ 3% due 3/80. Assets pledged; sales entail contingent interest. Early 1979, issued 1M warrants exercisable @ \$1.72 in suit settlement. Lincoln Mtg. pres. & sub. own 15.6%. Comment: Trading, long recovery.

2N-CAMERON-BROWN: \$6.50 (CB-NYSE) SHARE DATA: 2016T, Net book \$ 9.37; Deprec. \$1.06; Loss resv. \$2.88; Taxloss \$5.56. ASSETS \$44.2M: 10% Invstmt prop, 31% Mtgs, 59% Foreclosed; 56% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$20.0M debt is 1.1X \$18.9M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	25c	92c	1c	1c	\$1.19a
1980	d11c	d13c			

a-Incl. \$1.28 swap & 16c sale gains '79. Position: Since running into difficulties w/ construction & develop. loans in 1974-5, has concentrated on selling/swapping assets to pay banks. Locations (Fla. 30%; GA 19%; N. C. 17%; MD 17%) help, but undeveloped land (47% assets, 16 parcels) hurts. Average yield on mtgs. 9.8% 12/31/79; oper. props.:

six apts. w/1,150 units, 19% of assets. Credit agreement for \$18½M to 12/81 @ prime + 2%, max. 15%. Pay 10% cash in '80; if repaid will issue wts. for \$1.8M accrued interest. Best assets gone, limiting sales. Charter Oaks owns 7.1% & M. Cogan/S. Swid 5.2%. Comment: Recovery spec., hurt by higher rates on new credit agmt. Delays asking holder approval to convert to holding company.

2N-CENTRAL MTG&RLY: \$12.50 (CMRTS-OTC) SHARE DATA: 775T, Net book \$14.89; Deprec. \$0.47; Loss resv. \$0.72; Taxloss \$2.40. ASSETS \$12.6M: 12% Invstmt prop, 67% Mtgs, 21% Foreclosed; 17% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$0.7M debt is .1X \$11.5M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'80	29c	23c	60c	41c	\$1.53b
FY'81	39c				

b-Incl. 3c inter. recovery & 28c sale gains. Position: Trust smaller Midwestern lender successful in both reducing level of nonearning assets and in eliminating bank debt. Assets 21% Ind., 30% Mo., 12% Minn. Began funding new commitments in FY'79; now plans to liquidate some or all of portfolio w/first distribution, \$6/sh. to be made mid-1981, most taxfree cap. return. Dividend eliminated as result. Comment: Hold/arbitrage on breakup around book value. Peregrine/Strangis/Kaplan own 28.1% & hold three board seats.

3N-CI MTG GROUP: \$5.88 (CI-PHSE) SHARE DATA: 4812T, Net book \$ 8.65; Deprec. \$0.18; Loss resv. \$1.07; Taxloss \$9.14. ASSETS \$47.7M: 56% Invstmt prop, 30% Mtgs, 14% Foreclosed; 45% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$1.2M debt is 0X \$41.6M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'79	\$9.19a	57c	44c	65c	\$10.85a
FY'80	1.17a	d1c			

a-Extraordinary & sale gains: \$11.18 '79; \$1.16 '80. Position: Trust began in 1969 as construction lender; from 1974 to 1979, engaged in swaps & asset sales to repay banks. With elim. of bank debt 2/79, trust managing remaining props. (assets 44% apts., mostly Northeast), but land/develop. remains high (35%). Reorganization as corp. defeated 7/80; now self-administered. Former sponsor, City Investing, owns 25%. Comment: Speculation on recovery under self-administration.

3 -CITIZENS GROWTH: \$5.25 (CITGS-OTC) SHARE DATA: 801T, Net book \$ 8.75; Deprec. \$0.00; Loss resv. \$1.11; Taxloss \$7.52. ASSETS \$7.9M: 25% Invstmt prop, 44% Mtgs, 31% Foreclosed; 34% nonearn + 0% lowearn. DIVIDEND: \$0.20. FINANCE: \$0.1M debt is 0X \$7.0M equity.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'80	4c	0c	1.86b	d20c	\$1.70b
FY'81	12c				

a-Incl. 6c taxloss benefit. b-Incl. 57c taxloss & \$1.21 sale gain. Position: Trust began as smaller equity trust; ran into problems on invs. originated by Fla. mtg. banker; has paid off most bank debt. Results improving, & div. resumed 4/80, but high nonearning assets still hurt. Assets 23% other REITs (owns 25% of ICM Rlty. w/ Eastover), hotels & motels. Comment: Hold



as spec. on 33.7% interest by Chrmn. Brent Baird & new manager Eastover Corp.

5N-CITIZENS MTG: \$0.13 (CZM-OTC) SHARE DATA:

1421T, Net book d\$13.59; Deprec. \$0.96; Loss resv. \$11.69; Taxloss \$12.39. ASSETS \$63.1M: 0% Invstmt prop, 42% Mtgs, 58% Foreclosed; 52% nonearn + 10% lowearn. DIVIDEND: \$0.00.

FINANCE: \$76.0M debt over d\$19.3M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	25¢	22¢	55¢	d38¢	64¢
1980	29¢				

Position: Trust filed Chap. X 10/78 after trustee Chemical Bank called \$20M of 8½% notes, in default since 10/76. Comment: Noteholders committee for 8½s formed 2/79; notes are high-risk play that former sponsor Manufacturers Hanover, NYC, pays on notes; otherwise absolute priority rule in Chapter X wipes out notes.

1 -CLEVETRUST RLTY: \$11.63 (CTRS-OTC) SHARE DATA

2525T, Net book \$10.61; Deprec. \$3.03; Loss resv. \$2.95; Taxloss \$6.61. ASSETS \$74.3M: 46% Invstmt prop, 21% Mtgs, 32% Foreclosed; 36% nonearn + 6% lowearn. DIVIDEND: \$0.28.

FINANCE: \$40.2M debt is 1.5X \$26.8M equity.

EPS/CFS:	Dec.	Mar.	June	Sept.	Year
FY'79	2/7¢	d1/6¢	16/27¢b	d3/9¢	13/49¢ab
FY'80	2/13¢a	5/15¢a	5/16a		

a-Taxloss benefit: 5¢ '79; 5¢ '80. b-Non-recurring lease settlement: 14¢.

Position: Trust is gradually becoming a prop. trust as it upgrades return on foreclosed props. & substitutes perm. mtgs. for bank debt. Assets are 50% office/commercial, 30% apt., 15% land leaseback; 30% Tex., 16% Ill., 13% Colo., 11% Ohio. \$14M bank debt at 7½% to 1982. Trust seeking new investments, paying dividend despite nonqual. status. Tulip Real Estate & Champion Assets Mgmt. own 15%; SZRL Investments owns 6.8%. Comment: Buy/hold for long-term recovery; superior management, low interest exposure. (Ranked No. 1 5/25/79 at \$6.50)

2N-CMT INVESTMT TR: \$5.50 (CMTIS-OTC) SHARE DATA:

2032T, Net book \$ 3.34; Deprec. \$1.46; Loss resv. \$2.57; Taxloss \$20.67. ASSETS \$77.1M: 11% Invstmt prop, 66% Mtgs, 23% Foreclosed; 10% nonearn + 31% lowearn. DIVIDEND: \$0.00.

FINANCE: \$62.2M debt is 4.5X \$13.9M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	11¢a	2¢	0¢	8¢	21¢a
1980	8¢	22¢a			

a-Incl. nonrecur gain: 11¢ '79; loss resrv. credit 10¢ '80.

Position: Trust changed its focus in 1979 to improve return on foreclosed props. and reduce impact of low or nonearning loans on portfolio following confirmation of Chap. XI Plan in 1978. Assets are 29% apts., 34% motels, 7% shop. ctrs.; 28% Okla., 14% La., 13% Tex., 12% Calif., 12% Ga. Debt is \$60M secured bank debt @ 8% to 12/84 from Chap. XI settlement. Changing to nonqual. corp. early '81. Comment: Hold/buy for moderate long-term recovery; preferred (2147T shs. w/\$7.50 liquidation value) favored. Deltec holds 9.4% of combined shares.

3 -COMMONWLTH RLTY: \$11.50 (CRTYC-OTC) SHARE DATA:

1384T, Net book \$ 5.78 + Deprec. \$4.03; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$19.5M: 97% Invstmt prop, 3% Mtgs, 0% Foreclosed; 5% nonearn + 0% lowearn. DIVIDEND: \$0.40.

FINANCE: \$11.0M debt is 1.4X \$8.0M equity.

EPS/CFS:	Feb.	May	Aug.	Nov.	Year
FY'79a	2/16¢	9/15¢	E5/15¢	E5/15¢	21/61b
FY'80a	8/16¢b	8/26b			

a-Adj. f/3% stk. div. 12/79 & 6/80, & incl. VFEM cash flow. b-Sale gains 4¢ '79; 2¢ '80. Position: Assets are mainly office buildings, including a 60% int. in VFEM Assoc. Selling 2 MD shop. ctrs. 11/80 f/\$1.95/sh. gain. Debt 94% mtgs., rest bank @ ½% over prime. Paying 3% stock div. in Dec. Country & New Town Properties owns 43%. Comment: Hold for improving position after sales.

1N-COMPASS INV GP: \$1.94 (CMPSS-OTC) SHARE DATA:

10368T, Net book \$ 2.24; Deprec. \$0.12; Loss resv. \$0.37; Taxloss \$1.97. ASSETS \$34.5M:

6% Invstmt prop, 32% Mtgs, 61% Foreclosed; 37% nonearn + 0% lowearn. DIVIDEND: \$0.00.

FINANCE: \$11.2M debt is .5X \$22.2M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	15¢b	d 4¢	5¢b	1¢	17¢b
FY'80	d 4¢	d13¢	10¢a		

a-9¢ debt exting. gain. b-4¢ taxloss benefit & d2¢ debt repurchase loss.

Position: Following payment of bank debt w/ swaps & sale gains, trust converted \$9.5M of 8½% sub. debts. into 7M shs; \$4.3M exchanged for new 16½% sr. subor. non-converts due '84 + \$250 cash. Assets are 38% apts., 31% land; 68% Fla., 13% Colo., 13% Ga. Amer. Fincl. took 53.4% interest w/ purchase of converts.; John Wertin, chrm., owns about 20%; Pacific Co. buys 11.8%. Comment: Spec. on Wertin control, Amer. Fincl. interest. (Ranked No. 1 4/13/79 at \$1.50)

1 -CONN GENL M&R #: \$25.75 (CGM-NYSE) SHARE DATA:

5867T, Net book \$18.55 + Deprec. \$2.27; Loss resv. \$0.76; Taxloss \$0.00. ASSETS \$320.2M:

49% Invstmt prop, 47% Mtgs, 4% Foreclosed; 1% nonearn + 0% lowearn. DIVIDEND: \$2.20.

FINANCE: \$215.1M debt is 2X \$108.8M equity.

EPS/CFS:	June	Sept.	Dec.	Mar.	Year
FY'80	35/66b	33/61b	50/84b	44/57b	1.62/2.68b
FY'81	51/61a				

a-Incl. 7¢ sale gains. b-Incl. 36¢ sale gains & 16¢ debt repurch. gains.

Position: Over past four yrs., trust has invested only in props.; short-term mtgs. have fallen to \$13M from \$210M peak. Assets are 36% shop. ctr., 29% Calif.; Partnerships expanding rapidly, trust has \$48M interest in \$166M props. Gains on distributions in excess of ptrnshp. inc. deferred. Most trust debt fixed rate: \$95M term debt most @ 8.75%, \$34M mtgs., \$70M convt.; Sold \$50M 11½% '90 notes 7/80. Div. reinvestmt plan. Comment: Buy on dips for long-term equity buildup. (Ranked No. 1 11/11/77 at \$19.88)

3 -CONSOL CAP RLY#: \$35.00 (CCPLS-OTC) SHARE DATA:

1989T, Net book \$16.74 + Deprec. \$10.78; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$127.1M:

81% Invstmt prop, 19% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$2.64.

FINANCE: \$94.8M debt is 2.8X \$33.3M equity.



EPS/CFS: Feb. May Aug. Nov. Year  
 FY'80 3/56b 2/56 d3/50 2.08/2.73 2.10/4.35ab  
 FY'81 36/83a 23/72

a-Incl. sale gains: \$1.84 '80, 10¢ '81.

b-Incl. 6¢ refinancing gain.

Position: Trust depreciation & financing practices are designed to maximize cash flow available for distribution, w/result 1980 1st half div. 17% cap. gains & 48% capital return. Reported book declines over time, but book + deprec. stable. Assets 82% apts. w/ 7,111 units, 16% shop. ctrs.; 51% Tex. Sold apt. 6/80 for \$1.5M gain. Debt is all secured mtgs. Comment: Buy/hold for spec. income; balloon payments on debt are risk.

4N-CONTINENTAL MTG: \$0.51 (CMI-OTC) SHARE DATA: 20838T, Net book d\$ 1.33; Deprec. \$0.00; Loss resv. \$0.00; Taxloss \$13.29. ASSETS \$11.3M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 100% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$45.9M debt over d\$27.8M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'79	6¢a	4¢a	2¢a	57¢a	64¢ab
FY'80	13¢a	28¢a	22¢a	d51¢	12¢ab

a-Incl. taxloss benefit: 21¢ '79, 6¢ '80.

b-Unaudited; qtrs. may not add; yr. ended 4/79

Position: Once second largest construction/development mtg. trust, CMI filed Chap. XI 3/8/76 & shifted to Ch. X 5/1/79. Compromise wld. transfer \$458M cash & props. to settle \$560M bank & other sr. debt, leaving CMI w/ \$13M cash & 600-lot Hawaii Loa Ridge tract w/\$34.8M present value (\$11.3M historic cost). Pro forma book value d\$1.33 @ historic cost & d29¢ @ present value. New CMI wld. owe \$47.4M to 6½% subor. debens. & one suggestion would issue 48.6M new convt. pfd. shs. (70% voting power) to subor. debt. Comment: Shs. and bonds speculation on Hawaii land sales.

2 -DENVER REI ASN#: \$32.75 (DENVS-OTC) SHARE DATA: 1101T, Net book \$ 8.27 + Deprec. \$9.87; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$49.9M: 93% Invstmt prop, 7% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.40. FINANCE: \$40.6M debt is 4.5X \$9.1M equity. EPS/CFS: Mar. June Sept. Dec. Year  
 1979 6/32 48/74a 21/45 45/66 1.20/2.17ab  
 1980 12/36c 19/36c

a-Incl. 32¢ sale gain. b-Incl. 2¢ debt repurch. gains.

Position: Trust invests only in Denver props. Assets are 42% office, 31% commercial, 19% shop. ctr.; 3 props. provide 70% of revs. Debt is \$37M mtgs., \$5M subor. debts. Contracts to sell trust assets for \$80M, or net \$35/sh., to Eugene Golub, Chicago. Expect sale to close in Oct. w/1st distribution about 30 days after sale & 2nd 6 mos. later. Comment: Hold/arbitrage on sale of assets.

2N-DIVERSIFIED MTG: \$4.13 (DMG-NYSE) SHARE DATA: 7326T, Net book \$ 7.83; Deprec. \$0.00; Loss resv. \$3.42; Taxloss \$7.69. ASSETS \$134.0M: 6% Invstmt prop, 65% Mtgs, 29% Foreclosed; 61% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$54.6M debt is .9X \$57.8M equity. EPS: Mar. June Sept. Dec. Year  
 1979 d33¢ d5¢ d12¢a d13¢ d63¢a  
 1980 2¢ d6¢

a-Incl. 3¢ sale gain.

Position: Debt is \$42M term, \$10M revolving, @10% '80, rising to greater of 11% '81 & 12% '82 or prime + 2% up to 15%, accruing contingent int. above net cash inc. Assets are 62% secondary & 15% primary homesites & 7% unimproved land. Land sales are hurt by recession. Comment: Shares are speculation on merger & large taxloss; MEI Corp. owns 7.4% & David Murdoch owns 7.6% & may join board.

3N-DOMINION M&R: \$2.88 (DMRTS-OTC) SHARE DATA: 3314T, Net book \$ 0.76; Deprec. \$0.88; Loss resv. \$0.48; Taxloss \$3.14. ASSETS \$29.0M: 0% Invstmt prop, 30% Mtgs, 70% Foreclosed; 19% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$25.6M debt is 10.1X \$2.5M equity.

EPS:	Aug.	Nov.	Feb.	May	Year
FY'79	66¢a	24¢a	9¢a	d17¢a	82¢a
FY'80	82¢b	3.52b	18¢b		

a-Incl. 78¢ sale gains. b-Incl. \$2.89 gain on extinguishment of debt, 66¢ taxloss benefit, 46¢ pretax sale gains.

Position: Court affirmed Chap. XI plan 11/16/79; bondholders now own 79% of shares. Debt is \$17.2M bank; DMR has met mandatory payments through 5/31/81. Assets are 43% apts., 29% condo, most South. Comment: High risk speculation.

1N-EASTOVER CORP: \$14.75 (EASTS-OTC) SHARE DATA: 1034T, Net book \$17.44; Deprec. \$0.01; Loss resv. \$0.95; Taxloss \$6.10. ASSETS \$27.0M: 35% Invstmt prop, 34% Mtgs, 32% Foreclosed; 27% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$7.4M debt is .4X \$18.0M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	45¢b	34¢b	2.96b	80¢b	4.53b
1980	20¢a	31¢a			

a-Incl. 22¢ taxloss benefit. b-Incl. \$2.01 taxloss benefit, 32¢ sale gains & \$2.18 gain on litigation.

Position: Following elimination of debt under its credit agreement in 1978, trust policy has been to liquidate existing investments, to make limited equity investments, & to explore mergers/acqs. Assets are now 35% invs. in other REITs (28.9% Parkway Co., 26% ICM Realty, 29% Citizens Gro. w/Brent Baird, 1.3% First Carolina); the equity method of accounting is used to acct. for all REIT invs. except First Caro. Mtgs. are 51% land. Debt is 81% fixed-rate mtgs., rest bank. Comment: Spec. on work-out, merger deals in evolving role as specialty investment co. under new mgmt. Jackson, Miss. broker Leland Speed owns 10%, Trustee Brent Baird 6½%. (Ranked No. 1 4/13/79 at \$9.00)

2 -EQUIT LF MTG&RL: \$14.25 (EQ-NYSE) SHARE DATA: 5663T, Net book \$22.93; Deprec. \$0.39; Loss resv. \$0.57; Taxloss \$0.00. ASSETS \$316.8M: 12% Invstmt prop, 81% Mtgs, 7% Foreclosed; 11% nonearn + 0% lowearn. DIVIDEND: \$1.40. FINANCE: \$180.4M debt is 1.4X \$129.8M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'79	48¢r	50¢r	52¢r	36¢	\$1.87
FY'80	40¢a	35¢	7¢b		

r-Restated. a-Incl. 5¢ mtg. prepayment gain.

b-Incl. 32¢ loss provision.

Position: Following 1974-75 RE recession, trust emphasized short-term lending, leading to re-



cent difficulties. Spread on leveraged invs. widened 108 basis points in July Q, but still negative, -.09%, at qtr. end. Overall, debt is \$107<sup>1</sup>/<sub>2</sub>M short-term tied to prime & incl. \$49M comcl. paper; \$50M float rate notes 1% over mkt. yields due '87; notes could convert into 9% debentures before 9/1/86. Assets 43% short-term mtgs., 38% long-term mtgs., 27% floats w/prime. Trying to stimulate bldg. by making mtgs. in land develop. invests. Loss prov. in July Q on SC condo doesn't affect taxable income or dividend. Comment: Hold; shares are interest rate play as yield is adjusted to market.

1 -FEDERAL REALTY#: \$17.75 (FRT-ASE) SHARE DATA: 1434T, Net book \$ 9.22 + Deprec. \$5.18; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$57.6M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.72. FINANCE: \$44.1M debt is 3.3X \$13.2M equity. EPS/CFS: Mar. June Sept. Dec. Year  
1979 24/31c 18/25c 13/20c 30/49c 85/1.26  
1980 33/39c 22/34c

Position: Trust assets are in shop. ctrs. (78%) & apts. (12%). Most assets Wash., DC area, but diversifying Southeast. Completed purchase of 6 shop. ctrs. w/943T sf from Amterre Dev. FRT has one of highest operating returns on props. In all, has 2,844T sf in 19 shop. ctrs, 1074 units in 5 apts. Debt is 95% mtgs., 5% banks. Planned offer of 750T shs. cut to 450T shs. @ \$19.75 each. Comment: Buy/hold for income and growth from property management and purchase. (Ranked No. 1 12/8/78 at \$16.50)

1N-FGI INVESTORS: \$4.63 (FGI-OTC) SHARE DATA: 1927T, Net book \$ 8.31; Deprec. \$0.00; Loss resv. \$3.94; Taxloss \$2.85. ASSETS \$38.0M: 10% Invstmt prop, 13% Mtgs, 78% Foreclosed; 78% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$21.2M debt is 1.3X \$16.0M equity. EPS: Feb. May Aug. Nov. Year  
FY'79 40cb 1.22b 1.82bc d56cb 2.88bc  
FY'80 8ca d43ca

a-Incl. \$1.03 swap & taxloss gains.

b-Incl. 96c swap, \$1.43 taxloss gains.

Position: Trust began as short-term mtg. lender, but portfolio problems overshadowed by troubles w/dissident shareholder group led by Phila. insur. man Sidney Baer. Mgmt. slate reelected as trust gave 400T shs. + 400T wts. @ \$5 + Pa. condo to Lend Lease Corp. (20.8% int.) for 193T shs. Int'l Income Props. Inc. + \$4.05M cash. IIP shs. to be distributed to FGI shareholders by 11/80 on 1 f/10 basis. Lend Lease bought out Baer for total 40% interest, settles suit; to advise on develop. of Fla. land. FGI agrees to swap assets + cash to repay \$10.5M to Fidelcor Inc. sub., expects gain. Assets 54% land; 24% Pa., 46% Fla. Comment: Buy/hold on Lend Lease interest. (Ranked No. 1 4/13/79 at \$4.50)

2 -FIRST CARO INV: \$9.13 (FCARS-OTC) SHARE DATA: 1510T, Net book \$14.81; Deprec. \$0.06; Loss resv. \$0.77; Taxloss \$1.49. ASSETS \$27.8M: 13% Invstmt prop, 56% Mtgs, 31% Foreclosed; 47% nonearn + 0% lowearn. DIVIDEND: \$0.10. FINANCE: \$4.1M debt is .2X \$22.4M equity.

EPS: Mar. June Sept. Dec. Year  
1979 15ca 13cba d28cac 16ca 16cabc  
1980 22ca 17ca

a-8c taxloss '79; 19c '80. b-Incl. 3c sale gain. c-Incl. 54c loss prov. on La. hotel. Position: Trust has made substantial progress in liquidating assets & retiring debt; made new inv. 7/79 in 631 acres undevel. land zoned for 2,300 units. Mtgs. are medium & long-term; assets are 50% N.C. Broker Brent Baird & Eastover Corp. own 19%. Trust w/Baird owns 25.8% API Trust, may seek control. Comment: Recovery and/or liquidation speculation.

3 -FIRST CONTNL RE: \$8.63 (FCRES-OTC) SHARE DATA: 2106T, Net book \$10.48; Deprec. \$0.00; Loss resv. \$0.50; Taxloss \$0.00. ASSETS \$31.6M: 0% Invstmt prop, 94% Mtgs, 6% Foreclosed; 8% nonearn + 0% lowearn. DIVIDEND: \$1.22. FINANCE: \$10.0M debt is .5X \$22.1M equity. EPS: May Aug. Nov. Feb. Year  
FY'80 36c 32c 34c 21c \$1.23  
FY'81 31c

Position: A smaller construction lender, trust has benefited from concentration in its Texas base. Assets are 85% Tex., 15% Okla.; 61% construc., 29% devel. But debt restrains gains; \$10M bank under \$33.5M lines @  $\frac{1}{2}$ c over prime + compens. bal.; 1% prime= $\frac{1}{2}$ c/sh. qtr. 85% of earn. loans tied to prime. Must pledge assets = debt if demanded. Comment: Hold for spec. income, price moves w/ interest rates.

3N-FIRST DENVR MTG: \$3.50 (FDENS-OTC) SHARE DATA: 1621T, Net book \$ 5.36; Deprec. \$0.30; Loss resv. \$3.87; Taxloss \$9.85. ASSETS \$39.4M: 9% Invstmt prop, 63% Mtgs, 27% Foreclosed; 28% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$24.9M debt is 2.9X \$8.7M equity. EPS: Dec. Mar. June Sept. Year  
FY'79 d10c 54ca 7ca d2.07a d\$1.56a  
FY'80 3cb d51c 39cb

a-Incl. d76c asset swap & taxloss. b-Incl. 31c sale gains.

Position: This former construction lender swapped assets aggressively to retire bank debt, but sizable debt remains. \$21.4M bank debt due 12/80 @ 10%, up from 6 $\frac{1}{2}$ % in '79, + \$3 $\frac{1}{2}$ M non-int. bearing notes; assets pledged. Discussing sale of mtg. loan portfolio + common to pay debt. Assets 12% land, 14% condo-secondary, 10% condo-primary, 23% motels. Most Colorado. Comment: High risk spec. Deltec-Pan. on board.

2N-FIRST MTG INVST: \$1.63 (FMTGS-OTC) SHARE DATA: 9276T, Net book \$ 3.64; Deprec. \$0.52; Loss resv. \$1.56; Taxloss \$9.68. ASSETS \$168.8M: 34% Invstmt prop, 60% Mtgs, 5% Foreclosed; 14% nonearn + 23% lowearn. DIVIDEND: \$0.00. FINANCE: \$70.3M debt is 2.1X \$33.7M equity. EPS: Apr. July Oct. Jan. Year  
FY'80 7cb 2.01b 33cb d6cb 2.35b  
FY'81 5ca

a-Incl. 2c taxloss benefit.

b-Incl. 72c taxloss benefit.

Position: Trust's complex capitalization & high leverage during '70s caused severe problems. Invested assets down from \$600M peak. 6/80 issued 8M wts. @ \$1.06/sh to 7/1/87 plus \$35M 13% secured notes to American Financial & repaid banks. Banks forgave \$48M principal, converted



Series A pfd. into 1933T common shs., got 780,524 shs. for \$2.8M accrued interest + 2653T wts. exer. @ 88¢ + 50% hotel/land sale gains over 5 years. Will issue 1M wts. @ 59¢ to 12/86 to settle class action lawsuit. Assets 46% hotel/motel. To be FMI Financial Corp. Comment: Spec. on potential benefits of \$4.50/sh. principal reduction from 7/80 refinancing, Amer. Fincl. interest; but high dilution hurts.

2N-FIRST NEWPT CP: \$4.00 (FNEW-OTC) SHARE DATA: 2342T, Net book \$ 3.35; Deprec. \$1.18; Loss resv. \$7.05; Taxloss \$26.05. ASSETS \$73.2M: 5% Invstmt prop, 55% Mtgs, 40% Foreclosed; 16% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$51.1M debt is 6.5X \$7.8M equity. EPS: Jan. Apr. July Oct. Year  
FY'79 34¢a 10¢a 15¢a d59¢a 0¢a  
FY'80 d3¢ 30¢a

a-Incl. 84¢ sale gain '79; 13¢ taxloss '80. Position: Following debt restructure in 1977 through repurch. of \$18M in debts. @ 30% of face value, FNEW has swapped/sold to reduce debt to current \$50M bank credit @ 5% to 10/8 10/80, extending to 10/81 if \$34M repaid. Appealing \$4M damages decision which could cut \$1.67 from book value. Assets are 38% condos, 27% lodgings; 37% Texas.; making loans below mkt. rate to help condo sales. Deltec Panamerica owns 11%. Comment: Long recovery, making progress.

4N-FIRST PENN MTG: \$1.63 (FPM-NYSE) SHARE DATA: 2961T, Net book \$ 0.22; Deprec. \$0.62; Loss resv. \$4.32; Taxloss \$12.32. ASSETS \$73.4M: 0% Invstmt prop, 24% Mtgs, 76% Foreclosed; 71% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$56.4M debt is 56.1X \$1.0M equity. EPS: Oct. Jan. Apr. July Year  
FY'79 1.17a d87¢a d30¢ d 9¢ d 9¢a  
FY'80 d 27¢ d37¢a d29¢ d12¢ d1.05a  
a-Incl. swap gains: \$2.59 '79, 18¢ '80. Position: Trust began mainly as short-term lender. To eliminate \$46M debt for \$20M cash, \$3M prop. & 3.4M shs. f/\$21M gain & increased holder equity from \$1M to \$47M. To finance by rights offer @ \$1/sh. Hallwood Sec., London, to assume control by purchase of unexer. shs. + wts. @ 25¢ in proportion to shs. (abt. 2.7M shs.) Must close by 12/31/80. Assets 39% comcl/indus., 11% condo, 28% land; 17% Mass., 15% FL, 12% Tex., 12% Ill., 11% Mich. Comment: Trading speculation.

1 -FIRST UNION RE#: \$20.50 (FUR-NYSE) SHARE DATA: 5580T, Net book \$ 9.92 + Deprec. \$7.32; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$229.8M: 95% Invstmt prop, 5% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.36. FINANCE: \$170.0M debt is 3.1X \$55.4M equity. EPS/CFS: Mar. June Sept. Dec. Year  
1979r 28/50a 29/40 22/33 44/50b 1.25/1.73ab  
1980 25/33 1.03/1.17b

r-restated. a-Incl. 10¢ litig. gain. b-Incl. 17¢ sale gain '79; 73¢ '80. Position: Trust specializes in ownership of downtown props. w/ diversified locations. Assets are 49% office w/3,973T sq. ft., 39% shop ctrs. w/4,911T sf. Sold LA off. bldg. 6/80 qtr. Expanding 2 malls in Minn. & Calif. Debt is 74% secured mtgs. w/cost of 7.8%;

\$35M 8-3/4% converts. Fair market value of shareholder equity \$28.86/sh. fully diluted at 6/80. Unicorp Fincl. (Can.) owns 7.6%. Comment: Buy for quality income, expanding property holdings. (Ranked No. 1 3/23/79 at \$12.25)

3N-FIRST WISC MTG: \$12.13 (FWMTS-OTC) SHARE DATA: 1989T, Net book \$ 5.39; Deprec. \$1.04; Loss resv. \$3.15; Taxloss \$13.89. ASSETS \$67.9M: 57% Invstmt prop, 7% Mtgs, 35% Foreclosed; 22% nonearn + 67% lowearn. DIVIDEND: \$0.00. FINANCE: \$52.0M debt is 5.1X \$10.2M equity. EPS: Mar. June Sept. Dec. Year  
1979 0¢ 2¢ 0¢ 3¢ 5¢  
1980 d31¢ 24¢a

a-Incl. 50¢/sh. sale gain. Position: Begun as short-term lender, trust got into trouble earlier than most, and in 1975 sued its sponsoring bank holding co. for breaches of obligations; trial date set for 1/81. Otherwise, bank debt paid down to \$13.5M @ 1% mid-May; \$32M secured standing loans by banks on props. Sheldon Lubar, 10.1% owner, took board seat 5/80. Comment: For long recovery.

2 -FLATLEY RL INV#: \$7.00 (FLTLS-OTC) SHARE DATA: 1000T, Net book \$ 7.36 + Deprec. \$3.06; Loss resv. \$0.00; Taxloss \$0.06. ASSETS \$25.0M: 95% Invstmt prop, 5% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.30. FINANCE: \$18.5M debt is 2.5X \$7.4M equity. EPS/CFS: Sept. Dec. Mar. June Year  
FY'79 10/15¢ 10/16¢ 4/10¢ 17/20¢ 41/61¢a  
FY'80 11/18¢ 30/36¢b 0/7¢c

a-Incl. 7¢ RE tax refund. b-Incl. 24¢ mtg. refinancing gain. c-Incl. 6¢ gain on asset. sale. Position: Trust avoided problems in mid-'70s by being invested in Mass. base; since most mtgs. foreclosed or repaid and is now mainly an equity trust. Assets are 34% apts., 57% shop. ctrs., 81% Mass. Debt is 81% mtgs., \$3½M bank @ 115% prime + compens. balance. David Wolff & Robert Blatt own 14%. Comment: Buy for recovery, increasing revenues on lease renewals.

1 -FLORIDA GLF RL#: \$17.75 (FGLFS-OTC) SHARE DATA: 997T, Net book \$13.71 + Deprec. \$7.18; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$31.3M: 99% Invstmt prop, 1% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.40. FINANCE: \$18.4M debt is 1.3X \$13.7M equity. EPS/CFS: July Oct. Jan. Apr. Year  
FY'80 23/41a 23/42 23/41 22/39 91/1.63a  
FY'81 23/p42

a-Incl. prop. sale gains: 2¢ '80. Position: FGRT is smaller equity trust owning 13 shop. ctrs. (93% assets) w/1,843T sf, all but one in Fla.; 7 Tallahassee office bldgs. w/101T sq. ft. are balance. W/substantial no. of leases to be renewed in FY'81, strong upward trend in minimum rents expected to continue. Percentage rentals grew 18½% in FY'80, for 17% of total rentals. Sold idle center 6/80 at book. '79 div. 36% return of capital. Comment: Buy for income, increases from re-leasing. (Ranked No. 1 12/8/78 at \$12.50)



2 -FRANKLIN RLTY: \$24.25 (FR-ASE) SHARE DATA:  
1054T, Net book \$ 8.95; Deprec. \$11.63; Loss  
resv. \$0.00; Taxloss \$1.65. ASSETS \$29.1M:  
100% Invstmt prop, 0% Mtgs, 0% Foreclosed;  
0% nonearn + 0% lowearn. DIVIDEND: \$0.40.  
FINANCE: \$24.4M debt is 2.6X \$9.4M equity.  
EPS: 

	Sept.	Dec.	Mar.	June	Year
FY'79	1¢	20¢	5¢	14¢	40¢
FY'80	0¢	63¢	2¢		

a-Incl. 1¢ sale gains & 17¢ taxloss benefit '79, 27¢ taxloss benefit '80.

Position: Trust began in 1961 as equity trust, entered mtg. lending '71, sold all mtgs. to its bank '76 & retired bank debt. Manages props. for self & others, returns on props. rather low. Props. are 81% owned, 19% joint venture. Debt is 75% secured, 7% short, 20% convt. (trust redeemed 7/23/80 @ 103.3% of face) Trustees have asked mgmt. to develop a plan for liquidation of RE assets, Landauer Assoc. appraised @ \$28.67/sh. on fully diluted basis; trust would retain RE mgmt. ops. (75% of net in Dec. Q; no contribution in Mar. Q). Large block ownership, as follows: Benjamin Elec. Eng., 19.1%; Frederick Crocker Whitman group, 12.2%; Plesset family group, 3.3% (three entities now acting as group, may seek control, restructuring); Collins Diboll, 5.5%; Carter Org., 5.5%; Forman Pacific Theatres, 6.5; Goldman Sachs, 8.1%. Comment: Arbitrage on potential breakup.

3 -FRASER MTG: \$10.75 (FRASS-OTC) SHARE DATA:  
1038T, Net book \$16.55; Deprec. \$0.00; Loss  
resv. \$0.53; Taxloss \$0.00. ASSETS \$45.9M:  
0% Invstmt prop, 96% Mtgs, 4% Foreclosed;  
4% nonearn + 0% lowearn. DIVIDEND: \$1.04.  
FINANCE: \$37.8M debt is 2.2X \$17.2M equity.  
EPS: 

	Aug.	Nov.	Feb.	May	Year
FY'79	27¢	27¢	27¢	24¢	\$1.05a
FY'80	27¢	28¢	26¢	d4¢	0.77a

a-Incl. sale: 9¢ gain '79; 2¢ loss '80.

Position: Conservatively managed mtg. trust has had low problems but caught in interest rate squeeze. Mtgs. 68% short-term & 32% long-term; 85% first mtgs. & 15% second mtgs.; 27% construction, 19% land development, & 54% conventional; 31% Ohio, 25% Florida. Debt is \$25M bank, \$13M fixed rate. 1% prime = 4¢/sh./qtr. Fraser Mtg. Co. owns 18.6%, nego. w/institution investor to buy shs., join mgmt., & lend trust money at lower rates. Making new investments. Comment: Hold for recovery, price fluctuates w/ interest rates.

1 -GENERAL GROWTH#: \$19.00 (GGP-NYSE) SHARE DATA:  
6202T, Net book \$ 2.56 + Deprec. \$4.40; Loss  
resv. \$0.00; Taxloss \$0.00. ASSETS \$385.8M:  
95% Invstmt prop, 5% Mtgs, 0% Foreclosed;  
0% nonearn + 0% lowearn. DIVIDEND: \$0.40.  
FINANCE: \$341.8M debt is 22X \$15.6M equity.  
EPS/CFS: 

	Dec.	Mar.	June	Sept.	Year
FY'79	38/50a	28/41a	30/45a	37/50ab	1.33/1.86ab
FY'80	35/51a	11.41/	33/45a		

a-Incl. sale gains: 12¢ '79, \$11.20 '80.

b-Incl. d13¢ merger expense.

Position: Trust develops & owns/manages enclosed mall shop. ctrs. & apts. Shop. ctrs. are concentrated in medium-sized Midwestern cities where GGP dominates trading area &

forestalls competitors. Trust sold 10 ctrs. accounting for 45% of net equity & 40% of net oper. inc. Mar. Q. Remaining assets are 68% shop. ctrs. w/8M sq. ft.; 14% apts. Debt is 89% secured notes & mtgs. Bucksbaum trusts have total 24% interest. Bucksbaums to end developer/mgr. role 9/80. Div: Paid \$15/sh. part cap. gains 5/80; 1979 div. 80% tax-free. Comment: Buy/hold on superior value creation, possible final \$30+/sh. breakup some 2-3 years away.

(Ranked No. 1 11/79 @ \$35.38, bef. \$15 div.)

2N-GMR PROPERTIES: \$2.63 (GMR-NYSE) SHARE DATA:  
2957T, Net book \$ 2.22; Deprec. \$0.39; Loss  
resv. \$4.35; Taxloss \$9.89. ASSETS \$58.1M:  
12% Invstmt prop, 44% Mtgs, 45% Foreclosed;  
24% nonearn + 24% lowearn. DIVIDEND: \$0.00.  
FINANCE: \$37.1M debt is 5.6X \$6.6M equity.  
EPS: 

	May	Aug.	Nov.	Feb.	Year
FY'80	d 3¢b	d3¢b	17¢b	d40¢b	d28¢b
FY'81	d 1¢				

b-Incl. 2¢ deben. repurch. gain & net 0¢ taxloss benefit.

Position: Trust is seeking to convert from mtg. lender to property owner/manager; swapped high volume of foreclosed props. but leverage still high. Reactivated swap program 5/80; successful bids of \$12M will cut bank debt to \$12M if closed. Debt is banks & \$15.3M 8½% due 12/87. Assets are 38% long-term mtgs. Deltec-Panamerica owns 8.4%. Trust pres., exec. v.p., & advisor resigned 5/80, Gulf Capital Mgmt. to be advisor. Comment: Spec. on merger, recovery.

2 -GOULD INVESTOR#: \$15.63 (GTR-ASE) SHARE DATA:  
1173T, Net book \$ 9.40 + Deprec. \$11.30; Loss  
resv. \$0.31; Taxloss \$0.00. ASSETS \$42.4M:  
90% Invstmt prop, 10% Mtgs, 0% Foreclosed;  
1% nonearn + 0% lowearn. DIVIDEND: \$1.36.  
FINANCE: \$33.9M debt is 3.1X \$11.0M equity.  
EPS/CFS: 

	Dec.	Mar.	June	Sept.	Year
FY'79	50/56a	29/34	68/71a	15/24a	1.62/1.85a
FY'80	2.14/2.21a	17/24a	28/36a		

a-Incl. sale gains: 63¢ '79, \$1.98 '80.

Position: Trust began as N.Y.C. property co. & began lending in early '70s. Problem mtgs. led to acquisitions, w/ result that Gould emerges as equity trust owning shop. ctrs. & apts. in Midwest & office bldgs. Props. are generally low cost, low visibility. Assets are 19% NYC off.; debt is 86% secured mtg.; bought Fla. & NY off. bldgs. & leasebacks in Fla. & NJ for lower cash flow & EPS short-term. Gould's combination w/Plaza Rlty. fell through but trust owns 11.2%. Gould family owns 35% of GTR. Comment: Speculative income.

2N-GREAT AMER M&I: \$5.63 (GAMI-OTC) SHARE DATA:  
7372T, Net book \$ 1.47; Deprec. \$0.89; Loss  
resv. \$2.58; Taxloss \$11.39. ASSETS \$219.0M:  
43% Invstmt prop, 28% Mtgs, 29% Foreclosed;  
31% nonearn + 43% lowearn. DIVIDEND: \$0.00.  
FINANCE: \$190.8M debt is 17.6X \$10.8M equity.  
EPS: 

	Oct.	Jan.	Apr.	July	Year
FY'79	70¢a	59¢a	38¢a	d6¢a	1.61a
FY'80	3¢b	6¢b	4¢b		

a-Incl. 75¢ taxloss benefit & 39¢ sale gain. b-Incl. 44¢ sale gains.

Position: Trust closed Chap. XI plan 4/79 &



effected quasi-reorg. & change to corp. Retaining core props. w/ pos. cash flow but oper. loss on debt amort. Tangible net worth turned positive 10/79 Q. Beginning condo conversion of apt. props. Face amount of debt incl. \$171M bank debt @ 3% to 8/87; \$15M 3% sr. subor. debts. due 8/90; & \$6.2M of 1.1-3% jr. sub. debts. due 8/91. \$1.8M tender for \$3.8M face of jr. debts. oversubscribed, pro rata acceptance. Debt discounted by \$38M which amt. is added to net worth. Comment: Sophisticated play on Sunbelt realty with high-leverage fixed rate Chap. XI plan debt. Morgens/Waterfall own 18.9%.

1 -GREIT REALTY: \$11.50 (GRT-ASE) SHARE DATA: 998T, Net book \$11.14; Deprec. \$11.77; Loss resv. \$0.08; Taxloss \$0.00. ASSETS \$25.5M: 84% Invstmt prop, 16% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.40. FINANCE: \$16.9M debt is 1.5X \$11.1M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'79	17c	9c	18c	d2.01b	d1.57b
FY'80	17c	1.81c			

a-Incl. 1c sale gain. b-Incl. \$2.20 loss provision. c-Incl. \$1.68 loss resrv. credit. Position: An older equity trust, GREIT ran into problems in early '70s when it sold an off. bldg. to make mtg. loans., leading to foreclosures. Two of three major props. have been source of recent earns. drag; a Dayton off. bldg. lost its major tenant in '77, vacating 65% of space, 21% re-rented 10/79; & Miami shop. ctr. sold Apr. Q for \$9M, reversing part of Oct. Q loss prov. Assets before sale were 55% shop. ctrs., 34% office & urban stores; debt 96% mtgs. Unicorp Fincl. (Can.) owns 40% & two seats on board; GREIT owns shs. & wts. for 20% of San Francisco REIT & intends to buy up to 25% interest. Comment: Hold/buy on improvement in portfolio, Unicorp interest. (Ranked No. 1 7/11/80 at \$10.75)

2N-GROWTH REALTY: \$5.88 (GRW-NYSE) SHARE DATA: 2065T, Net book \$ 7.39; Deprec. \$0.25; Loss resv. \$2.42; Taxloss \$13.46. ASSETS \$86.5M: 23% Invstmt prop, 39% Mtgs, 38% Foreclosed; 12% nonearn + 27% lowearn. DIVIDEND: \$0.00. FINANCE: \$64.1M debt is 4.3X \$14.9M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'79	d39c	d25c	d62c	+ 3c	d1.23
FY'80	d13c	71c	d26c	25c	0.57b

a-Incl. 95c swap gains. b-Unaudited. Position: Began as construction lender stressing standard income props.; foreclosed over half its assets, many divested through swaps & sales. Now planning to become nat'l rltty. & mtg. broker, but progress slowed when prop. sales could not close because of unavailability of financing w/result that potential \$3.8M to \$6.0M int. forgive. for 352T shs. lost for lack of sale gains. But sold Houston apt. 6/80 f/59c/sh. gain; used all of taxloss expiring 6/80. Assets are 41% apts., 21% shop. ctrs.; 42% Tex. Debt \$36M bank to 12/81 w/ int. accrued to 9% max. Pfd. authorized for acqs., est. \$6.97/sh. unrealized apprec. over net book 6/80; realized \$1.45/sh. FY'80. Comment: Improved spec. as rates go down to facilitate sales.

3N-GUARDIAN MTG: \$0.88 (GMI-PHSE) SHARE DATA: 19010T, Net book d\$ 0.13; Deprec. \$0.00; Loss resv. \$1.03; Taxloss \$5.27. ASSETS \$117.1M: 14% Invstmt prop, 31% Mtgs, 56% Foreclosed; 54% nonearn + 22% lowearn. DIVIDEND: \$0.00. FINANCE: \$115.4M debt over d\$2.4M equity.

EPS:	May	Aug.	Nov.	Feb.	Year
FY'80	74c	74c	64c	2.36b	\$4.48b
FY'81	6c				

a-Incl. 3c taxloss.

b-Incl. 40c sale gains, \$2.26 taxloss & \$3.85 debt restructure gains.

Position: Chap. XI Plan confirmed 12/79:

repaid \$90M bank debt w/ cash, mtgs., & other assets & \$114M w/o inter. thru 2/90 sub. to \$16M credit from early payments + shs. for 42% of equity; sub debt: 7½s, \$310 cash + 254 shs.; 6.75s + 8s, \$220 cash +188 shs. (giving sub debt 42% & current shs. 16% equity). Plan left negative book value. Assets 62% land and development. Debt \$109M after July payment. Comment: Spec. on L/T recovery.

3N-HAMILTON INV TR: \$4.75 (HMTS-OTC) SHARE DATA: 2175T, Net book \$ 4.88; Deprec. \$0.00; Loss resv. \$4.85; Taxloss \$2.13. ASSETS \$56.3M: 0% Invstmt prop, 80% Mtgs, 20% Foreclosed; 17% nonearn + 74% lowearn. DIVIDEND: \$0.00. FINANCE: \$35.3M debt is 3.4X \$10.5M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1979	29c	d13c	d 8c	d29c	d22c
1980	d17c	7c			

a-Incl. 18c sale gain, 29c int. recovery, & 22c swap gain. b-Incl. 22c swap gain.

Position: Trust steadily reducing debt & liquidating assets. Continuing losses have eroded book, but banks to forgive \$12.2M debt in swap f/\$2.14/sh. gain Dec. Q. Debt \$30M bank to 6/81 @ 10%; pay 2% cash + \$6M int. notes. Has \$10M liquid assets. Assets 47% apts., 17% condo, 16% off. bldg., 16% land; 39% Okla. SZRL Inv. owns 5%; Deltec Panam. 5%. Comment: Spec. on recovery.

3N-HANOVER SQ RLTY: \$7.00 (HSQ-ASE) SHARE DATA: 946T, Net book \$11.38; Deprec. \$0.11; Loss resv. \$1.30; Taxloss \$5.71. ASSETS \$25.9M: 22% Invstmt prop, 84% Mtgs, 13% Foreclosed; 9% nonearn + 13% lowearn. DIVIDEND: \$0.00. FINANCE: \$12.2M debt is 1.1X \$10.8M equity.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'79	d 3c	d 7c	d 3c	6c	d 7c
FY'80	13c	5c	d 5c		

a-Incl. 24c sale gain.

Position: This smaller mtg. trust was successful in divesting most of its foreclosed props., but high int. rates eroding earns. Debt is \$8.9M bank credit @ 124% of prime; to sell mtgs. to repay banks first, entertain other offers. Assets are 64% resid., 16% shop. ctr. Ending REIT status, may acquire adviser; Cooper Labs owns 35%. Comment: Spec. on debt payment, deREITing.

3N-HEITMAN MTG INV: \$2.00 (HTM-ASE) SHARE DATA: 3292T, Net book \$ 1.70; Deprec. \$0.00; Loss resv. \$2.97; Taxloss \$3.65. ASSETS \$44.4M: 0% Invstmt prop, 70% Mtgs, 31% Foreclosed; 24% nonearn + 63% lowearn. DIVIDEND: \$0.00. FINANCE: \$30.6M debt is 5.7X \$5.4M equity.



EPS:	Mar.	June	Sept.	Dec.	Year
1979	d 5c	d18c	3c	32c	11c
1980	d10c	6c			

a-Incl. d23c on sales, 8c swap gains.

Position: With repayment of \$60M senior bank & senior subordinated debt, trust was able to begin new commitments 10/79, w/ \$40M mtg. commitment for 825 unit condo conversion. Probably no income until '81. Trust rec'd holder approval 7/80 for direct equity investments, but proposed acq. of Ind. shop. ctr. for 1.2M shs. & \$1.5M mtg. assump. cancelled. Assets are 34% shop. ctrs., 24% land, 23% hotel, 15% off. bldg.; 31% Ill., 23% Can., 17% Fla., 16% Calif. Debt is 44% bank @ prime + ½% + compens. bal.; 56% 7½% convts. to '92. Comment: Spec. on new investments.

2N-HOMAC-BARNES: \$2.75 (HOMC-OTC) SHARE DATA: 1907T, Net book \$ 8.47; Deprec. \$0.00; Loss resv. \$0.00; Taxloss \$9.96. ASSETS \$63.0M: 73% Invstmt prop, 27% Mtgs, 0% Foreclosed; 85% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$43.3M debt is 2.5X \$17.1M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	d50cb	d52cb	d23cb	8c	d\$1.22b
FY'80	d25c	13c	d51c		

a-Incl. 16c swap gain & 22c sale gain.

b-Incl. 86c sale gain & 2c taxloss benefit.

Position: Co. is RE investment & develop. co., 9/79 successor to construction/develop. mtg. trust. Assets are 44% condo, 32% land/develop.; 41% Fla., 34% Puerto Rico; high rates have curtailed construction, hurt condo sales. Debt @ 12½% max to 3/81, credit pact for-gives 2% if some principal prepaid. Comment: Spec. on lower int. rates; recession hurts.

1 -HOSPITAL MTG #: \$13.63 (HMG-ASE) SHARE DATA: 1178T, Net book \$22.49 + Deprec. \$1.06; Loss resv. \$0.14; Taxloss \$0.00. ASSETS \$55.2M: 71% Invstmt prop, 28% Mtgs, 1% Foreclosed; 18% nonearn + 0% lowearn. DIVIDEND: \$0.60. FINANCE: \$29.2M debt is 1.1X \$26.5M equity. Earnings: June '80 Q EPS 40c v. 51c '79; Mar. CFS 16c v. 18c; 1979 restated f/change to Dec. fiscal year. Position: Trust began as mtg. lender specializing in medical props.; evolving into equity trust w/ diverse portfolio. Small equity trust, Transco Realty, owns 28.8% Hospital Mtg. & 2/80 trusts jointly acquired 75% Grossman Industrial Props., & acquired RE & RE iuts. (shop. ctrs., off., land) plus current assets in liquidation. Sold hospital land 7/80 for 47c/sh. gain. Assets 12/79: 31% medical, 24% land, 21% apt., 21% shop. ctr.; 2/3 FL. Debt 54% float; \$4M @ 1½% over prime, \$6.4M @ 2% over prime to 12%. Comment: Buy for long term appreciation. (Ranked No. 1 2/9/79 at \$9.75)

1 -HOTEL INVESTOR#: \$26.50 (HOT-ASE) SHARE DATA: 1777T, Net book \$18.04 + Deprec. \$2.41; Loss resv. \$0.24; Taxloss \$0.00. ASSETS \$78.4M: 52% Invstmt prop, 45% Mtgs, 3% Foreclosed; 3% nonearn + 6% lowearn. DIVIDEND: \$2.40. FINANCE: \$46.7M debt is 1.5X \$32.1M equity.

EPS/CFS	Nov.	Feb.	May	Aug.	Year
FY'79	43/58	45/59	66/79	51/64	2.05/2.59
FY'80	87/98a	58/69	70/81		

a-Incl. 23c sale gain.

Position: Began as long-term mtg. & equity

trust in hotel props., combining RE ownership w/ ability to capitalize on business & economic swings. 6/26/80 formed Hotel Inv. Corp. to hold leases & manage hotels, w/shares paired to trust shares. Most hotels national franch.; some cash flow expected from 2 forecl. in Tucson FY'80. Debt is \$19M mtg., \$14M secured @ 9-3/4%, \$13M convts. U.S. Steel & Carnegie Pension Fund own 9.7%; Morgan Guar. trustee for 10%. Comment: Buy for stock pairing, superior management, building new hotels. (Ranked No. 1 2/9/79 at \$17.88)

2 -HUBBARD REI: \$17.88 (HRE-NYSE) SHARE DATA: 4004T, Net book \$25.40; Deprec. \$0.59; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$95.1M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.88. FINANCE: \$3.2M debt is 0X \$101.7M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'79	43c	45c	46c	81c	\$2.15a
FY'80	45c	49c	59c		

a-Incl. 17c W.T. Grant & 17c loss res. recvy. Position: Trust specializes in owning retail & off. props. net leased to third parties. W.T. Grant bankruptcy vacated 24% of props., but trust rode it out, reducing divs. only 25%; all space re-rented by end of FY'79. Assets are 31% retail + 21% supermkt., 26% indus., 22% office.; Major lessees: 21% Safeway, 18% Ashland Oil, 18% Chrysler. Comment: Buy/hold for yield & discount from book; Chrysler exposure not seen risky.

1 -ICM REALTY: \$18.00 (ICM-ASE) SHARE DATA: 3011T, Net book \$15.52; Deprec. \$0.03; Loss resv. \$2.01; Taxloss \$1.13. ASSETS \$63.6M: 53% Invstmt prop, 33% Mtgs, 13% Foreclosed; 28% nonearn + 0% lowearn. DIVIDEND: \$1.00. FINANCE: \$11.2M debt is .2X \$46.7M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
1979	17c	22c	39c	51cb	1.28b
1980	38cb	35cb			

b-Incl. sale gains: 16c '80, 22c '79.

Position: Trust specializes in land purchase leasebacks on apts. & shop. ctrs., providing leveraged interests in substantial off-the-balance-sheet real estate. EPS is boosted by percentage rentals, which surged 80% in '80 1st half. Assets 45% apts., 31% shop. ctrs., 11% land; 52% land leasebacks. Debt is \$7.8M bank to 2/82 at lesser of 120% prime or 1½% over prime. Eastover Corp. & Citizens Growth own 26%, L. Speed made Chrmn., took 2 more seats; institutions own 29%. Comment: Buy/hold for leveraged interests, long-term recovery as nonearn. assets worked out. (Ranked No. 1 12/21/79 at \$14.25)

4N-INDEPENDENCE CO: \$4.50 (IMTG-OTC) SHARE DATA: 2625T, Net book \$ 3.61; Deprec. \$0.33; Loss resv. \$0.42; Taxloss \$16.76. ASSETS \$16.9M: 0% Invstmt prop, 2% Mtgs, 98% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$9.0M debt is 1X \$9.5M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'79	13c	d7c	5c	d3c	7c
FY'80	7.37b	d2cb	3cb		

a-Incl. 57c sale, swap & taxloss gains.

b-Incl. \$4.22 swap & \$3.44 taxloss gains.

Position: Trust began as construction/develop.



lender; ceased new commitments by 7/73. Re-structured debt 8/79, conveying to banks all RE invs. except a Va. off. bldg. & 2 developments in Fla. & Va. Debt is \$400T bank @ 8%, rest mtgs. on props. Comment: Spec. on new holding co. status to manage remaining assets. Netter Int'l Ltd. controls 30%, Netter on board.

2N-INDIANA FCL INV: \$4.00 (IFII-OTC) SHARE DATA: 1154T, Net book \$ 8.45; Deprec. \$0.16; Loss resv. \$1.86; Taxloss \$6.85. ASSETS \$28.5M: 11% Invstmt prop, 72% Mtgs, 17% Foreclosed; 39% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$17.5M debt is 1.7X \$10.0M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'79	9c	9c	41c	1c	40c
FY'80	d 7c	d17c	d25c	d25c	d74c

a-Loss resv. credit: 17c. b-Sale gain 54c.  
c-Unaudited.

Position: Trust began as combination equity/mtg. trust; changed to corp. 6/79, now emphasizing equity but must sell props. to pay off debt and shies from selling mtgs. at discount. Props. mainly apts. & leasebacks; mtgs. 43% land/devel. Most Indiana. Debt is bank @ prime to 10/80 (1% prime = 4c/sh./qtr.), hopes to pay banks fast. Comment: Hold for EPS improvement on lower rates. Telvest Inc. (Clyde Engle) owns 10%.

3N-INSTITUTNAL INV: \$1.50 (INV-NYSE) SHARE DATA: 6798T, Net book \$ 0.11; Deprec. \$0.17; Loss resv. \$0.74; Taxloss \$8.27. ASSETS \$47.3M: 16% Invstmt prop, 14% Mtgs, 70% Foreclosed; 79% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$40.0M debt is 53.5X \$0.7M equity.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'80	d31c	d26c	d22c	d66c	d1.45a
FY'81	d22c				

a-Incl. 11c sale gains.

Position: Trust engaged in massive asset swaps & sales w/result remaining assets mostly large land tracts; most nonearning. Assets 66% land; 18% apts; Mt. Wash. Hotel, Bretton Woods, NH (14% assets), in sale talks. Bank debt \$25M @ 110% prime. Missed \$1M paymt; \$6M loan called but paid int. on \$15.2M 8 1/4% 1st priority sub. notes due '87. Equity Inc. & Mgmt. (Chi.) to buy 3.7M shs. & \$15.4M discounted debt from banks for \$15.4M & 1M shs. + wts. from IIT for \$1M for total 50% ownership. Banks to keep 424T shs. & \$4.4M debt. Buitland Ptnrs. to buy 8.3% & may buy up to 13.7%. Comment: Hold.

2 -IRT PROPRY CO#: \$12.75 (IRT-ASE) SHARE DATA: 2306T, Net book \$11.79 + Deprec. \$1.80; Loss resv. \$0.27; Taxloss \$0.00. ASSETS \$59.6M: 70% Invstmt prop, 29% Mtgs, 1% Foreclosed; 3% nonearn + 0% lowearn. DIVIDEND: \$1.10. FINANCE: \$31.2M debt is 1.1X \$27.2M equity.

EPS/CFS	Mar.	June	Sept.	Dec.	Year
1979	19/23	21/28	60/63b	20/31	1.34/1.60
1980	1.16/1.17a	31/33			

a-85c sale gain. b-33c sale gain.

Position: Co. is result of merger of Investors Rlty. & Summit Props. Concentrating on equity invs. w/geographically diversified assets, mainly apts. & shop. ctrs. Debt 90% mtgs. Div. reinvestmt plan. Comment: Interesting long-term holding for yield, benefits of corp. Filed for tax ruling to form sister corporation.

2 -JMB REALTY: \$20.50 (JMBRS-OTC) SHARE DATA: 510T, Net book \$21.73; Deprec. \$1.85; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$31.2M: 27% Invstmt prop, 73% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$2.20. FINANCE: \$19.3M debt is 1.7X \$11.1M equity.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'79	48c	51c	54c	59c	2.12
FY'80	52c	2.43a	58c		

a-Incl. \$1.91 sale gain.

Position: JMB stresses subordinated equity type invests. such as wraparound mtgs. w/ equity participations & land purchase leasebacks. About one-third of investments are made in props. owned by ltd. ptnrs. of advisor. Assets are 49% shop. ctrs., 35% apts.; 8% leasebacks, all mtgs. are wraparounds. Debt 98% mtg. Comment: Buy/hold for spec. income.

2N-KENILWORTH RLT#: \$38.13 (KRT-NYSE) SHARE DATA: 2683T, Net book \$18.06 + Deprec. \$5.43; Loss resv. \$0.00; Taxloss \$1.64. ASSETS \$100.7M: 89% Invstmt prop, 11% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$60.3M debt is 1.2X \$48.5M equity.

EPS/CFS	May	Aug.	Nov.	Feb.	Year
FY'80	9/31b	d12/+19b	35/57ac	1.23/	1.55/2.40a
				1.43a	

FY'81 1.38c/

a-Sale gains: \$1.37 '80. b-RE tax refund 6c. c-Taxloss benefit: 64c '81; 4c '80.

Position: Liquidation plan ratified; NYC office bldgs. sold for \$65M (close 4/81); 1st distribution of \$5/sh. by 1980 end; "much larger" payment after 4/81 closing. Trust est. final value of not less than \$40/sh. & up to \$45/sh. David J. Greene group controls, Amer. Fincl. owns 16%. Comment: Arbitrage on liquidation.

2N-KENTUCKY PROPTY: \$1.88 (KMTGS-OTC) SHARE DATA: 1100T, Net book \$ 3.20; Deprec. \$0.02; Loss resv. \$1.14; Taxloss \$9.91. ASSETS \$11.7M: 3% Invstmt prop, 11% Mtgs, 86% Foreclosed; 38% nonearn + 48% lowearn. DIVIDEND: \$0.00. FINANCE: \$7.1M debt is 2X \$3.5M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
1979	3c	20c	2c	3c	29c
1980	d3c	d5c			

b-Incl. 11c taxloss & 20c loss res. credit.

Position: Trust now engaged in owning props. & developing & managing props. for self & others. Assets are 47% apts., 38% land/devel.; 39% Ky. Defaulted on \$7.1M payment to banks 6/30/80 as sale of Nashville apt. for \$7M or \$1.45/sh. gain fell through. Broker Brent Baird owns 21.3%.

Comment: Spec. on sales to boost book.

5N-LIFETIME COMMUN: \$1.38 (LFTMS-OTC) SHARE DATA: 6763T, Net book \$ 3.37; Deprec. \$0.05; Loss resv. \$1.93; Taxloss \$9.21. ASSETS \$84.6M: 4% Invstmt prop, 55% Mtgs, 40% Foreclosed; 59% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$51.9M debt is 2.3X \$22.8M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
1979	8c	8c	16c	17c	49c
1980	9c	4c			

a-Incl. 24c taxloss benefit & 2c sale gain.

b-Incl. 6c taxloss benefit.

Position: Chap. XI plan approved 1/78; trust became corp., banks got 47% of shs. & must be



paid \$46.5M by 1984; interest free but deferred payments accrue at prime + 2%. Paid \$66M to 7/80, assets slow to work off.  
Comment: High risk.

2N-LINCOLN MTG: \$3.00 (LNMGS-OTC) SHARE DATA: 1155T, Net book \$ 2.31; Deprec. \$0.11; Loss resv. \$2.07; Taxloss \$3.56. ASSETS \$14.0M: 25% Invstmt prop, 55% Mtgs, 21% Foreclosed; 0% nonearn + 21% lowearn. DIVIDEND: \$0.00. FINANCE: \$10.8M debt is 4X \$2.7M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'80	d19c	d16c	d 5cb	1.73	1.34b
FY'81	3ca				

a-Incl. 2c taxloss. b-Incl. 6c debt repurchase gain & 67c taxloss.

Position: Trust lost best assets in swaps, now looking to acquisitions & development activities; sold 9 homes FY'80, 3 homes in Apr. & May. Assets are 52% apts.; owns 9% of Audiotronics & 6% of Builders Inv. Group. Debt is \$10M converts due '90. Mgmt. owns 25.2% shs. & Whitaker group owns 6.4%.

Comment: Spec. on new activities.

2 -LOMAS & NET MTG: \$19.25 (LOM-NYSE) SHARE DATA: 3700T, Net book \$27.91; Deprec. \$0.00; Loss resv. \$1.90; Taxloss \$0.00. ASSETS \$340.3M: 0% Invstmt prop, 89% Mtgs, 11% Foreclosed; 9% nonearn + 0% lowearn. DIVIDEND: \$2.41. FINANCE: \$240.5M debt is 2.3X \$103.2M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'79	48c	49c	51c	55c	2.03
FY'80	65c	65c	55c	56c	2.41

Dividend: Pays 100% of earnings per share.

Position: Trust has been reducing size of mtg. portfolio in past few months; mtgs. now 68% construction, 19% acq./devel.; most Tex. Debt is \$126M commcl. paper, \$67M bank short-term, \$48M long-term, all floating; 1% prime = 6c/sh./qtr. Unfunded commitments \$176M

3/80. Comment: Shs. are play on EPS rebound on lower interest.

2 -M&T MORTGAGE: \$13.25 (MTMIS-OTC) SHARE DATA: 1486T, Net book \$10.56; Deprec. \$0.00; Loss resv. \$1.11; Taxloss \$0.00. ASSETS \$56.6M: 0% Invstmt prop, 100% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.68. FINANCE: \$40.1M debt is 2.6X \$15.7M equity.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'79	32c	44c	45c	45c	1.66
FY'80	45c	50c	42c		

Position: Trust specializes in 1-family construction/devel. mtgs. in Tex. w/result that paid divs. thru '70s recession & never had to liquidate. Assets peaked 2/80; debt is all bank secured, sponsor provides compens. balance. Comment: Hold for stable yield, good relative value.

1N-MARYLAND REALTY: \$2.38 (MDRTS-OTC) SHARE DATA: 1786T, Net book \$ 4.54; Deprec. \$0.16; Loss resv. \$0.74; Taxloss \$2.27. ASSETS \$12.9M: 0% Invstmt prop, 46% Mtgs, 54% Foreclosed; 42% nonearn + 12% lowearn. DIVIDEND: \$0.00. FINANCE: \$3.4M debt is .4X \$8.1M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'79	d 7ca	d 7ca	d14ca	d16ca	d44ca
FY'80	d17c	d18c			

a-Incl. 4c sale gain.

Position: Trust plans to become equity trust,

5/80 offered holders rights for 1.35 shs.-for-1 @ \$2.25/sh. to retire debt at prime; Federated Devel., now 44% owner, bought 708,190 unsubscribed shs. Added \$2.2M equity. Assets 37% apts., 31% land; 24% Ga., 76% Fla. Drexel Burnham holds 9.9%.

Comment: Recovery spec. on debt retirement. (Ranked No. 1 4/13/79 at \$3.75)

1 -MASSMUTUAL MTG: \$13.88 (MML-NYSE) SHARE DATA: 4670T, Net book \$19.92; Deprec. \$0.28; Loss resv. \$0.26; Taxloss \$0.00. ASSETS \$174.1M: 5% Invstmt prop, 95% Mtgs, 0% Foreclosed; 3% nonearn + 0% lowearn. DIVIDEND: \$1.60. FINANCE: \$80.8M debt is .9X \$93.0M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
1979	36ca	39ca	37ca	43ca	1.53a
1980	39c	40c	40c		

a-Incl. deben. repurch. gains: 8c'79, 2c '80 & prior interest: 4c '79.

Position: Trust specializes in long-term first mtgs. on income props. (82% of assets), most w/conting. int. Intends to emphasize equity holdings/participations. Assets are 37% shop. ctrs., debt is \$67M converts, low rate exposure. Comment: Buy/hold for income, equity kickers w/discount from book.

(Ranked No. 1 9/8/78 at \$14.88)

3N-METROPLEX RLTY: \$0.50 (JMI-OTC) SHARE DATA: 11840T, Net book \$ 1.04; Deprec. \$0.00; Loss resv. \$0.30; Taxloss \$2.36. ASSETS \$16.0M: 17% Invstmt prop, 30% Mtgs, 53% Foreclosed; 87% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$1.3M debt is .1X \$12.3M equity.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'79	d23c	d18c	5ca	85ca	86cab
FY'80	d 1/2c	d 1/2c			

a-Incl. 72c sale gains & taxloss benefits.

b-Doesn't add because of new shs. June Q.

Position: Chap. XI plan confirmed 5/79; \$9.6M subor. debt converted into unregistered stock so bondholders now own 90%. Assets mostly land & lots; looking for merger, but \$1.05/sh. offer withdrawn because trust wanted all cash. Plan calls for 1-for-5 reverse split & change to corp., not yet effected.

Comment: Shs. spec. on possible merger.

2N-MIDLAND MTG: \$3.63 (MMT-NYSE) SHARE DATA: 2382T, Net book \$ 2.01; Deprec. \$0.21; Loss resv. \$0.88; Taxloss \$10.43. ASSETS \$11.8M: 18% Invstmt prop, 55% Mtgs, 27% Foreclosed; 36% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$5.1M debt is 1.1X \$4.8M equity.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'79	5c	6cb	d16cb	20c	15cb
FY'80	1.48a	9ca	5ca	26ca	1.88a

a-Incl. 86c taxloss, 4c debt repurch. & \$1.55 pretax litigation gains. b-Incl. 16c debt repurch. & 6c taxloss gains.

Position: Trust completed swap program & repaid senior debt FY'79, retired \$7M sub. debts. 3/1/80; remaining debt is \$4.3M convts.

Now looking for new activities; recapitalizing w/issue of 1 new conv. pfd. sh. & 1 common for each 2 common out. Issuing 5M new common for acq. of land & devel. rights at Snowmass, Col. ski resort, closing 9/80. Assets 45% hotel, 25% land. Broker P. Hoffman owns 15%. Comment: Speculation on acquisitions.



2 -MILLER(HS) TRST: \$19.25 (HSMTS-OTC) SHARE DATA: 560T, Net book \$18.86; Deprec. \$3.32; Loss resv. \$1.16; Taxloss \$0.00. ASSETS \$20.1M: 73% Invstmt prop, 20% Mtgs, 7% Foreclosed; 7% nonearn + 0% lowearn. DIVIDEND: \$1.80. FINANCE: \$9.3M debt is .9X \$10.6M equity.  
 EPS: May Aug. Nov. Feb. Year  
 FY'80 43cb 40c 49cb 27c 1.59b  
 FY'81 46ca

a-Incl. 6c sale gain. b-Incl. 6c insur., 7c settlement & 2c sale gains.

Position: Trust is moving to become all equity as mtg. loans paid off; Assets are 60% shop, ctrs. w/IM sf, 18% land; most Texas.

Percentage rents boost EPS. Debt 95% mtgs. Jackson group owns 11%, sought control probably to liquidate; 8/80 trust rejected unsolicited bid for all rental props. due to inadequate amount. HSM Inc. owns 9.7%, Pilot Inds. 5.6%. Comment: Buy for income, long-term gains.

1N-MISSION INV TR: \$6.00 (MIT-ASE) SHARE DATA: 1812T, Net book \$ 7.09; Deprec. \$0.30; Loss resv. \$0.59; Taxloss \$5.42. ASSETS \$23.8M: 0% Invstmt prop, 27% Mtgs, 73% Foreclosed; 32% nonearn + 46% lowearn. DIVIDEND: \$0.00. FINANCE: \$9.5M debt is .7X \$12.9M equity.  
 EPS: Feb. May Aug. Nov. Year  
 FY'79 5cb 4cb 99cb 16cb 1.41b  
 FY'80 10ca 68ca

a-Incl. 36c taxloss benefit. b-Incl. \$1.21 loss reserve recovery & 12c taxloss benefit. Position: Trust planning equity investments, RE mktng & mgmt. EPS to be boosted from condo sales on hotel taken over 8/79; sold Dallas land for 46c/sh. gain in Aug. qtr. Assets 55% resid., 32% land & development; pledged; debt is bank @ 2½% over prime. Intermark Inc. has 20% & board seat. Comment: Buy for sale gains, discount from book.

(Ranked No. 1 12/7/79 @ \$6.50)

2 -MONY MTG INV: \$9.00 (MYM-NYSE) SHARE DATA: 8955T, Net book \$ 9.81; Deprec. \$0.14; Loss resv. \$0.19; Taxloss \$0.00. ASSETS \$201.8M: 11% Invstmt prop, 87% Mtgs, 2% Foreclosed; 6% nonearn + 0% lowearn. DIVIDEND: \$0.92. FINANCE: \$117.9M debt is 1.3X \$87.8M equity.  
 EPS: Aug. Nov. Feb. May Year  
 FY'79 17c 17c 18c 30ca 83ca  
 FY'80 23ca 41ca 20c 19c 1.03a

a-Incl. Sale gains: 7½c '79; 34c FY'80. Div: "Under constant consideration".

Position: Major life insurance company sponsored MYM aims to balance short-term construction & development loans (42% of assets) & LT fixed-rate income property mtgs. (45%); generated unbroken divs. in '70s but low fixed rates now well below today's rate. Equities 11% & falling. Has \$120M ST mtg. funding commitments w/sponsor providing 85% of takeouts. ST loans yld. 15.2% during FY '80 & 89% (\$58M) float w/prime. Debt is \$72M interest-sensitive com'l. paper & master notes; \$35M interm.-term notes @ 8.3%; + mtgs. & convts. 1% prime = 1c/sh. qtr. Comment: Hold for stable income & EPS benefits from lower interest; Management strong in problem loan control.

1N-MORAGA CORP: \$8.25 (MORA-OTC) SHARE DATA: 1355T, Net book \$ 8.03; Deprec. \$0.50; Loss resv. \$3.10; Taxloss \$11.96. ASSETS \$41.3M: 0% Invstmt prop, 38% Mtgs, 62% Foreclosed; 28% nonearn + 44% lowearn. DIVIDEND: \$0.00. FINANCE: \$25.2M debt is 2.3X \$10.9M equity.  
 EPS: Oct. Jan. Apr. July Year  
 FY'79 d20c 6.46a 97ca 24ca \$7.47a  
 FY'80 2cb 2cb d17c

a-Incl. swap gains, taxloss benefits & interest forgive \$7.42 '79. b-2c taxloss.

Position: This former mtg. lender repaid all bank debt at deep discount '79 by getting a \$10½M blanket mtg. @ 1½% due '94. Sold all Alamand realty sub. stock and assets to Apex Oil Co., St. Louis, for \$19.9M cash 8/19/80. Plans acquisitions. Alamand to pay \$1,000 to Moraga for each debenture (total \$9M) on conversion into Moraga common. Co. estimates equity at \$12.44/sh. Comment: Buy/hold on discount from book and benefits from acqs. Warren Prop. group owns 6.1% and Canadian investment funds 14.4%.

(Ranked No. 1 on 1/12/79 at \$3.00)

1 -MORTGAGE GROWH#: \$12.88 (MTG-ASE) SHARE DATA: 2648T, Net book \$10.92 + Deprec. \$1.47; Loss resv. \$0.28; Taxloss \$0.00. ASSETS \$41.4M: 67% Invstmt prop, 28% Mtgs, 5% Foreclosed; 5% nonearn + 0% lowearn. DIVIDEND: \$1.08. FINANCE: \$18.9M debt is .7X \$28.9M equity.  
 EPS/CFS: Feb. May Aug. Nov. Year  
 FY'79 16/20c 24/28a 22/26a 19/23 81/97a  
 FY'80 62/67b 25/30

a-Incl. 8c sale gain '79. b-42c sale gain FY'80. Position: Once interim mtg. lender MTG emerges as developer of some key foreclosures, mainly apt. in Mich. & resid. in D.C. suburbs. Assets 77% apts., 14% office; 35% Calif. Sold LA office 2/80 for \$1.12M gain; proceeds used to repay all bank debt & add \$4M liquidity. Only debt is \$13M mtgs. & \$6M convts. held by institutions. Comment: Buy/hold for LT div. & capital gains as sale proceeds reinvested; might consider attractive merger.

(Ranked No. 1 on 9/8/78 at \$7.63)

4N-MTG INV WASH: \$3.38 (MINVS-OTC) SHARE DATA: 2146T, Net book \$ 4.55; Deprec. \$0.14; Loss resv. \$1.16; Taxloss \$4.19. ASSETS \$28.3M: 0% Invstmt prop, 32% Mtgs, 68% Foreclosed; 36% nonearn + 18% lowearn. DIVIDEND: \$0.00. FINANCE: \$17.4M debt is 1.8X \$9.8M equity.

EPS: June Sept. Dec. Mar. Year  
 FY'79 25ca d22c d4c d35c d36ca  
 FY'80 2ca 78ca 15ca d20ca 75ca

a-Incl. sale gains: 38c '79; \$1.69 '80.

Position: Agrees to sale of 3.25M shs. @ \$4 ea. to European investors for 60% interest. Proceeds to pay \$14.9M floating rate notes due 11/1/80. Asset swaps 12/79 repaid all bank debt & added 56c gains. Other debt \$2.2M converts, \$300T mtgs. Comment: Higher risk spec.; Deltec-Panamerica has 8.2% & board seat.

1N-MTG TRUST AMER: \$10.00 (MT-NYSE) SHARE DATA: 3993T, Net book \$14.30; Deprec. \$0.58; Loss resv. \$1.39; Taxloss \$1.25. ASSETS \$66.4M: 1% Invstmt prop, 72% Mtgs, 27% Foreclosed; 28% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.0M debt is .1X \$57.1M equity.



EPS: Feb. May Aug. Nov. Year  
 FY'79 21¢ab 23¢ab 37¢ab 19¢b \$1.00ab  
 FY'80 14¢ 29¢

a-Incl. prop. sales: 27¢ '79. b-29¢ interest & 3¢ loss resv. recovery '79. Position: This major former constr. lender has repaid most bank debt & emerges w/\$56M equity leveraged by only mtg. debt. Has \$20M bank lines. Adviser Transamerica Mtg. Adv. bought 8.9% of sh. & may buy 11½% more. MTA considering ending REIT status to be more active realty developer & joint venturer. Assets now 42% land & devel., 18% hotels, 17% apts. Comment: Buy/hold on new active role and discount from book. (Ranked No. 1 on 11/10/78 at \$5.88)

4N-NATIONAL MTG: \$1.06 (NMF-OTC) SHARE DATA:  
 3707T, Net book \$ 2.23; Deprec. \$0.00; Loss resv. \$0.92; Taxloss \$3.91. ASSETS \$15.5M; 0% Invstmt prop, 31% Mtgs, 69% Foreclosed; 78% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.8M debt is .6X \$8.3M equity.  
 EPS: May Aug. Nov. Feb. Year  
 FY'80 16¢b 1¢ 0¢ 5¢ 22¢b  
 FY'81 d1¢

b-Incl. 22¢ swap gains. Position: Debt is \$1.5M secured bank loans & \$3.3M subor. notes, both w/no interest, from Ch. XI settlement. Assets 79% land, some being marketed and/or developed. First 3 phases of Gwinnett County, Ga. completed. Comment: Very long recovery seen as high interest slows lot sales; Broker Brent Baird owns 8.4% of sh.

3 -NATIONWIDE RE: \$16.50 (NRELS-OTC) SHARE DATA:  
 1047T, Net book \$24.55; Deprec. \$0.36; Loss resv. \$1.22; Taxloss \$0.00. ASSETS \$27.6M; 8% Invstmt prop, 51% Mtgs, 41% Foreclosed; 32% nonearn + 17% lowearn. DIVIDEND: \$0.82. FINANCE: \$6.5M debt is .3X \$25.7M equity.  
 EPS: June Sept. Dec. Mar. Year  
 FY'80 7¢ 14¢ 22¢ 24¢ 67¢  
 FY'81 19¢

Position: Assets 25% medical, 14% condo, 11% land; 30% Ohio, 17% Indiana. Moderate sized trust advised by Nationwide Corp., Ohio insurance holding co., has repaid banks & sought merger partner last two yrs. Deal w/Buckeye Fed. S&L ended 4/80 & now agrees to accept Old Stone Corp., Providence holding co., offer to exchange for each NRELS sh. one new Old Stone 12% pfd. w/ \$20 par & conv. to ½ Old Stone sh. IRS & regulatory approvals needed. Transaction expected complete by year-end. Trust owns 400 acres of mineral rights in Pa.; but local ordinance prohibits mining. Exploring possibilities, benefits to flow to trust holders. Comment: Hold. If OK by 4/30/81, \$2.40 div. would yield 14½% on stock price.

2 -NEW PLAN RL TR#: \$11.63 (NPR-ASE) SHARE DATA:  
 3304T, Net book \$ 4.19 + Deprec. \$2.34; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$19.2M; 95% Invstmt prop, 5% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.96. FINANCE: \$14.2M debt is 1X \$13.8M equity.  
 EPS/CFS: Oct. Jan. Apr. July Year  
 FY'79 23/22¢ 19/18 19/18 26/25 87/83¢  
 FY'80 21/20¢ 21/20 26/25

Div: Paid monthly. Position: Specializes in

upgrading older properties, mainly shopping centers. Assets 71% shop. ctrs., 14% residential. Debt is 92% mtgs., 7% subor. deb. Beginning div. reinvestment plan at 2½% discount from average mkt. price. Comment: Buy/hold for longer-term yield growth; management owns 40% of shares.

3N-NORTH AMER MTG: \$4.13 (NAM-NYSE) SHARE DATA:  
 6901T, Net book \$ 5.43; Deprec. \$0.51; Loss resv. \$0.79; Taxloss \$N/A. ASSETS \$124.2M; 0% Invstmt prop, 20% Mtgs, 80% Foreclosed; 37% nonearn + 46% lowearn. DIVIDEND: \$0.00. FINANCE: \$80.3M debt is 2.1X \$37.4M equity.  
 EPS: Mar. June Sept. Dec. Year  
 1979 d40¢a d20¢a d16¢a d27¢a d96¢a  
 1980 d 6¢b 18¢

a-Incl. 19¢ prop. sales gains & 15¢ litigation loss. b-Incl. 14¢ loss resv. reversal. Position: Once a large mtg. lender, NAMI has ended REIT status & seeks 1980 profitability as condominium converter, land developer & seller of surplus foreclosed props. Assets are 43½% apts., 27½% condos, 13% land, 7% hotel/motel; 21% Fla., 19% Ill. Sold 419 condo units '79 & building Niles, Ill. apt. Debt incl. \$32M bank term loan at max 12% to 10/83; \$33M mtgs.; \$12M face 8½% subor. debts. due '87; & \$8.15M 10½% subor. note to Amer. Financial given in 1979 restructuring. Amer. Finc'l. also got 36% of sh. Comment: Hold; high interest & recession may slow realty sales; Book value does not reflect \$1.61/sh. liability in adverse court decision (RTR, 9/21/79), being appealed.

5N-NOVA REIT: \$1.50 (FVM-OTC) SHARE DATA:  
 1208T, Net book \$ 7.93; Deprec. \$0.00; Loss resv. \$2.73; Taxloss \$6.95. ASSETS \$29.0M; 0% Invstmt prop, 56% Mtgs, 44% Foreclosed; 44% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$20.0M debt is 2.1X \$9.6M equity.  
 EPS: Sept. Dec. Mar. June Year  
 FY'79 47¢b 26¢b 29¢b 50¢b \$1.52b  
 FY'80 51¢a 14¢a 7¢a d75¢a d3¢a

a-Incl. 38¢ taxloss reversed 4th qtr. & 2¢ swap gain. b-25¢ sales & 74¢ taxloss. Position: This mortgage trust, formerly bank sponsored First Vir. Mtg., liquidated assets to repay \$20M bank debt FY'80. Remaining assets: 41% land; 52% Fla., 21% VA, 17% KY. Prop. sales slow & loans illiquid; w/\$20M subor. debts. due 11/1/80, bankruptcy likely. Trust offering \$600 per \$1000 face to note-holders up to \$7M face. Comment: Avoid; high risk spec. on avoiding bankruptcy. Allen & Co. owns 10.4%.

3 -NW MUT LIFE MTG: \$10.50 (NML-NYSE) SHARE DATA:  
 4758T, Net book \$19.11; Deprec. \$0.77; Loss resv. \$0.69; Taxloss \$0.00. ASSETS \$230.0M; 11% Invstmt prop, 81% Mtgs, 8% Foreclosed; 8% nonearn + 0% lowearn. DIVIDEND: \$1.12. FINANCE: \$135.1M debt is 1.5X \$90.9M equity.  
 EPS: June Sept. Dec. Mar. Year  
 FY'80 27¢ 30¢ 22¢ 24¢ \$1.03  
 FY'81 30¢  
Position: Major life insur. co. sponsorship. Large (\$132M or 55% of assets) holdings of low-rate (8.9%) mtgs. limits flexibility. ST mtgs. down to \$64M (\$35M float w/prime);



Prop. mix: 30% office, 21% retail; 12% industrial. New loan commitment activity to be reduced in coming months. NML sold \$15M variable rate notes (@ 14% in '80, 1% over Treasury bills after) in 2/80 to limit exposure to ST rates; 1% prime now = 1¢/sh. qtr. Other debt: \$50M comc'l. paper & bank debt; \$75M at 8¼% & 8.75% due 12/82. Comment: Hold for stable income; Limited gains potential as price follows interest swings.

2 -PACIFIC RLT TR#: \$26.38 (PTR-ASE) SHARE DATA: 843T, Net book \$18.22 + Deprec. \$5.02; Loss resv. \$0.30; Taxloss \$4.98. ASSETS \$45.2M: 76% Invstmt prop, 21% Mtgs, 2% Foreclosed; 3% nonearn + 0% lowearn. DIVIDEND: \$1.40. FINANCE: \$29.2M debt is 1.9X \$15.4M equity. EPS/CFS: Aug. Nov. Feb. May Year  
FY'79 28/44 28/45 48/65 83/88 1.87/2.41a  
FY'80 48/63a 43/58a 33/49 46/63a 1.70/2.33a  
a-23¢ loss resv. credit & 62¢ sale gain '79; 22¢ loss resv. credit & 12¢ sale gain '80. Div: Can pay 100% cash flow & '79 47% cap. ret. Position: Once bank-sponsored, PTR now independent specialist in bldg. & mang. industrial props. Pacific NW. Assets: 77% prop. owned or in constr.; 72% indust., 28% office. Debt: \$12¼M comc'l. paper backed by \$15M term loan from former sponsor; \$13M mtgs.; Borrowed \$5M @ 14% for 5-yrs. in 4/80 to cut ST debt & reduce ST debt. Comment: Hold for improving results & new developments, but long-term uncertainties posed by Mt. St. Helens. Mgmt. est. prop. value \$11.40/sh. over net book at 5/79.

1 -PACIF SOTHRN MT: \$8.50 (PSMTS-OTC) SHARE DATA: 800T, Net book \$12.02; Deprec. \$0.00; Loss resv. \$0.02; Taxloss \$0.00. ASSETS \$8.8M: 18% Invstmt prop, 82% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.33. FINANCE: NO debt over \$9.6M equity. EPS: June Sept. Dec. Mar. Year  
FY'80 31¢ 61¢ 24¢ 22¢ \$1.38a  
FY'81 25¢  
a-Loss resv. credit: 50¢ '80; 6¢ '81. Position: Smaller unleveraged trust independently managed. Expects no further credits to loss reserve from Ga. condo. Assets 76% comcl. LT mtgs., 13% props. & partnership. Comment: Long-term hold; Trust chairman owns 5½%; Investor Byron Webb Jr. has 7.6% & elected trustee 7/29/80. (Ranked No. 1 on 9/8/78 at \$8.38)

1N-PARKWAY COMPANY: \$8.00 (PKWYS-OTC) SHARE DATA: 1055T, Net book \$ 8.17; Deprec. \$0.00; Loss resv. \$1.67; Taxloss \$8.21. ASSETS \$29.5M: 49% Invstmt prop, 27% Mtgs, 24% Foreclosed; 26% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$18.7M debt is 2.2X \$8.6M equity. EPS: Sept. Dec. Mar. June Year  
FY'79 3¢ d8¢ d8¢ 13¢ 0¢  
FY'80 d21¢ 24¢ 13¢  
a-Incl. 7¢ sale gains & 10¢ inter. reduc. in '79. b-Incl. 5¢ taxloss benefits '80. Position: This former regional mtg. lender has repaid all bank debt and mgmt. has been taken over by Eastover Corp., now owner of 32% shs. Parkway becoming Houston land developer, bought North Belt Greenbriar un-

devel. land near airport, & Sugar Creek, 1,100-ac. SW of Houston. Comment: Buy for development potential. To reorganize & become Tex. corp. after shhldr. approval in 12/80. (Ranked No. 1 on 10/12/79 at \$5.75)

1 -PENN REIT #: \$25.00 (PEI-ASE) SHARE DATA: 1561T, Net book \$14.64 + Deprec. \$15.12; Loss resv. \$0.10; Taxloss \$0.00. ASSETS \$73.4M: 95% Invstmt prop, 5% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.90. FINANCE: \$58.7M debt is 2.6X \$22.9M equity. EPS/CFS: Nov. Feb. May Aug. Year  
FY'79 50/63¢ 46/57¢ 54/66¢ 68/81¢ \$2.18/2.67  
FY'80 59/73 51/64 58/73  
Div.: Paid semi-annually. Position: Organized 1960, PEI is property trust independently managed by Philadelphia area realty operators. Equity investments generally incl. preferred 50% interests in these props: 60% shop. ctrs. & constr. w/2.4M net sf; 28% apts. w/2,097 net DU; & 12% office/indust. Debt is 84% mtgs., 14% bank lines & constr. loans. Comment: Buy/hold for LT gains & income growth. (Ranked No. 1 on 12/8/78 at \$15.00)

4N-PLAZA REALTY: \$1.75 (PRISS-OTC) SHARE DATA: 1114T, Net book \$ 0.09; Deprec. \$0.00; Loss resv. \$1.43; Taxloss \$9.25. ASSETS \$15.0M: 29% Invstmt prop, 25% Mtgs, 46% Foreclosed; 73% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$11.5M debt is 21.1X \$0.5M equity. EPS: Mar. June Sept. Dec. Year  
1979 nil d14¢ d5¢ d19¢ d38¢  
1980 5¢ d40¢  
a-Incl. 14¢ loss provision. b-45¢ litigation charge. Position: Trust to get 6 NYC apt. bldgs. from Albert Ginsburg, RE investor, for shs. (80.1% of new) w/guarantee of debt repayment. \$5M bank debt at 1% cash inter. or earnings to 1983 up to prime. Assets incl. \$5.4M prop. under sale agreement; portfolio 55% apts., 35% raw land; 45% Mass., 26% Fla., 16% NY. Gould Inv. Trust owns 11.2% of shs. Comment: Hold on Ginsburg play.

3 -PNB MTG & RLTY: \$11.75 (PNI-NYSE) SHARE DATA: 4771T, Net book \$16.73; Deprec. \$0.05; Loss resv. \$0.22; Taxloss \$0.00. ASSETS \$159.6M: 1% Invstmt prop, 94% Mtgs, 5% Foreclosed; 2% nonearn + 4% lowearn. DIVIDEND: \$1.20. FINANCE: \$87.8M debt is 1.1X \$79.8M equity. EPS: Dec. Mar. June Sept. Year  
FY'79r 42¢ 28¢ 25¢ d67¢ 28¢  
FY'80r 28¢ 36¢ 37¢  
r-FY'79 restated to combine last FYs of PNB & Sutro Mtg. on pooling basis. a-Incl. 34¢ prop. sales gains & d96¢ litigation loss '79. b-9¢ prop. sale gains & 28¢ reversal of litigation loss in 9 mo.'80. Position: Merged w/Sutro Mtg. eff. 10/79, combining Phil. & Los Angeles mtg. trusts. Mtg. assets: \$61M LT fixed-rate mtgs.; \$88M ST constr., devel., standing & jr. loans. Larger merged capital base lets PNB cut money costs via comc'l. paper, now w/\$61M out; Other debt \$20M convts; bank term paid off during June quarter. Comment: Hold; lower interest rates should widen spread & boost EPS in near-term qtrs.



- 1 -PROPERTY CAPITL: \$23.63 (PCL-ASE) SHARE DATA:  
2065T, Net book \$13.77; Deprec. \$0.00; Loss resv. \$0.59; Taxloss \$0.00. ASSETS \$45.4M: 66% Invstmt prop, 34% Mtgs, 0% Foreclosed; 6% nonearn + 0% lowearn. DIVIDEND: \$1.60. FINANCE: \$16.3M debt is .6X \$28.4M equity.  
EPS: 

	Oct.	Jan.	Apr.	July	Year
FY'79	30c	33c	35c	36c	\$1.34a
FY'80	38c	39c	40c	43c	1.60a

  
a-Asset sale gains: 10c '79; 12c '80; gains generally matched w/loss resv. additions. Div.: Pays 100% of EPS. Position: Independent PCL specializes in subordinated investments, both land/leasebacks (66% of assets) & LT jr. mtgs. (34%), w/income participations. Careful monitoring let PCL maintain divs. thru 1970s; now income participations on seasoned props. are boosting EPS. Assets: 34% apts., 29% office, 22% shop. ctr. Debt is \$4M bank lines @ prime, rest 6% sr. subor. debt held by institutions. Comment: Buy/hold for gradual LT div. & capital gains; Props. value est. at \$9.89/sh. over 7/79 book; Sold apt. for \$9M or \$3.53/sh. gain, reinvested proceeds in land under Chicago hotel & Fla. shop. ctr. w/total rents of \$990T first year. Now offering \$22M convt. pfd. to institutions to repay banks & fund new invest. (Ranked No. 1 on 12/21/79 at \$14.88)
- 2 -PROPTY TR AMER#: \$10.50 (PTRAS-OTC) SHARE DATA:  
2390T, Net book \$ 7.90 + Deprec. \$1.71; Loss resv. \$0.21; Taxloss \$0.00. ASSETS \$32.3M: 69% Invstmt prop, 29% Mtgs, 2% Foreclosed; 2% nonearn + 0% lowearn. DIVIDEND: \$1.27. FINANCE: \$14.6M debt is .8X \$18.9M equity.  
EPS/CFS: 

	Mar.	June	Sept.	Dec.	Year
1979	7/13c	7/11c	6/12c	7/12c	27/48c
1980	1.05/1.10b	27/33b			

  
a-Incl. 3c prop. sale gain '79. b-Incl. \$1. \$1.00 sale gain '80. Div.: Paid \$1.17 so far in '80, incl. 75c extras on land sale. Position: This independent El Paso property & mtg. trust has worked out of most foreclosures; Sale of Houston tract 1/80 for \$10.4M removed last major problem & gives PTA \$3.15/sh. gain over 7 years. Trustees own 21%. Comment: Buy/hold for improvement in other props. & boost to dividend from sale gains.
- 3 -REALTY INCOME: \$7.50 (RIT-ASE) SHARE DATA:  
1591T, Net book \$ 9.42; Deprec. \$0.49; Loss resv. \$0.63; Taxloss \$0.00. ASSETS \$51.3M: 23% Invstmt prop, 74% Mtgs, 4% Foreclosed; 14% nonearn + 0% lowearn. DIVIDEND: \$0.80. FINANCE: \$38.2M debt is 2.5X \$15.0M equity.  
EPS: 

	July	Oct.	Jan.	Apr.	Year
FY'80	d30c	35cb	d31cb	d22c	d48c
FY'81	10cb				

  
b-Incl. sale gain: 61c '80; 4c '81. Div.: FY'80 95% ret. of cap.; 5% cap. gain. Position: Originally sponsored by Textron Cos. pension funds, this older mortgage & property trust sought to balance conservative mtg. investments w/aggressive prop. holdings. Capital gains let dividends continue in recent yrs. Assets 54% LT mtgs., 23% investment props. But ST debt relatively high: \$14.6M under \$15M bank lines @ prime & \$7.5M at 1 1/2% over prime to 10/30/81. Comment: Hold for moderate recovery; lower rates help EPS. European group owns 20% of sh.
- 2 -RLTY & MTG PAC: \$18.38 (RPC-NYSE) SHARE DATA:  
1932T, Net book \$18.45; Deprec. \$0.89; Loss resv. \$0.19; Taxloss \$0.00. ASSETS \$109.8M: 43% Invstmt prop, 57% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.60. FINANCE: \$74.3M debt is 2.1X \$35.6M equity.  
EPS: 

	Feb.	May	Aug.	Nov.	Year
FY'79	53ca	34cb	45c	43c	\$1.75ba
FY'80	36c	59c	43c		

  
a-Incl. 20c cap. gain, pd. as div. 10/15/79. b-Incl. 3c litigation gain. Position: This LT oriented property & mortgage balanced trust, advised by Bank of Hawaii unit, specializes in Western U.S. & Pacific. Now reaping some large capital gains & reinvesting to boost EPS. Assets 24% hotel/motel, 23% office; 50% Calif., 15% Hawaii. Debt is \$11 1/2M comc'l. paper, \$30M bank loan @ 9 1/2% max., \$13M mtgs. To offer 750T shs. w/proceeds to pay banks. Div. reinvestment plan at 5% discount. Comment: Strong LT hold/buy for expansion.
- 2 -REALTY REFUND: \$9.88 (RRF-NYSE) SHARE DATA:  
1377T, Net book \$17.20; Deprec. \$0.00; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$69.5M: 0% Invstmt prop, 100% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.23. FINANCE: \$44.8M debt is 1.9X \$23.7M equity.  
EPS: 

	Apr.	July	Oct.	Jan.	Year
FY'80	40c	40c	36c	33c	\$1.49
FY'81	24c	30c			

  
Div: Pays 100% of EPS as shown above. Position: RRF specializes in longer-term refinancings of completed income properties, mainly w/wrap-around mtgs. (i.e., second mtgs. equaling existing (or underlying) first mtg. plus addtl. new financing). RRF profits by interest spread on two mtgs., but may have to fund difference in amortization payments. Assets 80% wraps, 20% LT mtgs.; 43% apts., 40% office/indust. Debt is \$8.9M bank loans @ prime to 10/81 & \$35M debentures @ 11.75-12%. Comment: Hold/buy for EPS benefits of lower interest; 1% prime = 1 1/2c/sh. qtr. Apr. qtr. 24c EPS may mark low point & climb back near peak 60c/sh. qtr. possible longer-term.
- 2 -REIT OF AMERICA: \$28.00 (REI-ASE) SHARE DATA:  
1633T, Net book \$22.65; Deprec. \$8.30; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$41.3M: 98% Invstmt prop, 2% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$2.20. FINANCE: \$8.4M debt is .2X \$37.0M equity.  
EPS: 

	Feb.	May	Aug.	Nov.	Year
FY'79	63ca	1.13a	43ca	53ca	\$2.72a
FY'80	60cb	65c			

  
a-Incl. prop. sale gains 89c '79. b-Prop. sale gains 3c '80. Div: Paid since 1887. Position: Conservative independent Boston mgmt. gives REI one of longest U.S. div. records. Specializes in owning urban shop. ctrs. (46% of assets), offices (25%), & industrial (20%). Assets 46% Cal., 16% Mass. Overall vacancy 2.7% at 11/79. Debt all mtgs. Comment: Hold for LT improvement of prop. yield. Unicorp Fincl.(Can.) owns 9.8%.



3N-REPUBLIC MTG: \$3.38 (RMI-NYSE) SHARE DATA:  
 2107T, Net book \$ 4.43; Deprec. \$0.46; Loss  
 resv. \$2.72; Taxloss \$11.30. ASSETS \$28.9M:  
 4% Invstmt prop, 10% Mtgs, 86% Foreclosed;  
 55% nonearn + 37% lowearn. DIVIDEND: \$0.00.  
 FINANCE: \$13.1M debt is 1.4X \$9.3M equity.  
 EPS: Mar. June Sept. Dec. Year  
 1979 d50ca d17ca 0ca \$1.37a 70ca  
 1980 6cb 10cb

a-Asset swaps, debt prepayment & taxloss  
 benefits \$1.30 '79. b-31c taxloss & swap & 34c  
 loss resv. credit '80. Position: To exch. 1.87  
 1.87M (47% int.) new shs. for \$7.5M NYC apt.  
 (Oppenheimer & Co. & Peter Sharp & Co., Inc.)  
 with up to 1.87M shs. (64% int.) in escrow, to  
 be issued over 5 yrs. depending on book value.  
 Must get bank financing to repay \$8M debt exp-  
 ired 6/30/80. Two Roland Intl. Corp. (5.1%  
 owner) bids rejected. Assets 37% land & de-  
 vel., 33% shop ctrs.; 68% Fla. Comment:  
 Hold/buy as trading spec. on new interests.

2N-RIVIERE REALTY#: \$4.50 (N/A-OTC) SHARE DATA:  
 783T, Net book \$ 6.30 + Deprec. \$5.31; Loss  
 resv. \$0.00; Taxloss \$2.53. ASSETS \$20.4M:  
 90% Invstmt prop, 9% Mtgs, 1% Foreclosed;  
 29% nonearn + 0% lowearn. DIVIDEND: \$0.00.  
 FINANCE: \$15.6M debt is 3.2X \$4.9M equity.  
 EPS/CFS: Mar. June Sept. Dec. Year  
 '79 12/17c d17/d10c d2.08/d1.98 d66/d49 d2.80  
 '80 76/98b d32/d12

a-Incl. \$2.25 loss on borrower/lessee settle-  
 ment '79. b-Incl. 81c sale gain & 43c taxloss  
 benefits 3/80. Div: Omitted 7/79. Position:  
 This Washington property/mtg. trust hurt by  
 9/79 takeover of \$7.3M Indianapolis props.  
 as major borrower defaulted. Wash. off. bldg.  
 sold 3/80 for 81c gain. Comment: Hold for re-  
 covery. Loyal Amer. Insur. (owned by Imperial  
 Life Assur. Can.) owns 18% & holds 2 bd. seats.

2 -SAN FRAN RE IN#: \$28.88 (SFI-ASE) SHARE DATA:  
 1407T, Net book \$19.41 + Deprec. \$3.52; Loss  
 resv. \$1.01; Taxloss \$0.00. ASSETS \$48.4M:  
 86% Invstmt prop, 12% Mtgs, 3% Foreclosed;  
 3% nonearn + 0% lowearn. DIVIDEND: \$1.76.  
 FINANCE: \$19.5M debt is .7X \$27.3M equity.  
 EPS/CFS: Mar. June Sept. Dec. Year  
 '79 32/40c 40/43c 41/46c 45/49c 1.58/1.78  
 '80 39/45c 40/45c

Position: Independent SFI has liquidated  
 most mortgages to stress properties owned  
 directly & in joint ventures, which add \$14M  
 to assets. New investments are sought and  
 50% partnership is building Glendale (Cal.)  
 Fincl. Square offices. Assets 70% offices  
 w/1.1M sq.ft., most bank occupied. Debt is  
 all mtgs. Comment: Buy/hold for LT gains &  
 yield. Unicorp Finc'l., Can., owns 8.3% &  
 GREIT RL., 40% owned by Unicorp, has shs. &  
 wts. for 20% & may buy up to 25%. Wts. exp-  
 iring 12/31/80 @ \$25 could add \$33.7M  
 capital if exercised.

2 -SANTA ANITA: \$33.25 (SAC0Z-OTC) SHARE DATA:  
 2749T, Net book \$ 5.52; Deprec. \$3.82; Loss  
 resv. \$0.30; Taxloss \$0.00. ASSETS \$47.7M:  
 80% Invstmt prop, 20% Mtgs, 0% Foreclosed;  
 0% nonearn + 0% lowearn. DIVIDEND: \$2.80.  
 FINANCE: \$37.6M debt is 2.5X \$15.2M equity.  
 EPS: Mar. June Sept. Dec. Year  
 1980 2.16 0.15

Position: This former racetrack operator and  
 realty developer split 1/1/80 into two paired  
 companies: a qualified REIT owning the Calif.  
 racetrack, 50% of major mall Santa Anita  
 Fashion Park & other props.; and a racetrack  
 operator & developer of props., mainly shop  
 ctrs., for the REIT. Stock of both companies  
 can only be traded as a "pair," with the REIT  
 passing thru prop. income to shareholders.  
Comment: Hold for moderate LT income growth.

2N-SAUL (BF) REIT: \$10.13 (BFS-NYSE) SHARE DATA:  
 5893T, Net book \$ 4.78; Deprec. \$3.88; Loss  
 resv. \$0.03; Taxloss \$7.96. ASSETS \$223.5M:  
 99% Invstmt prop, 1% Mtgs, 0% Foreclosed;  
 19% nonearn + 0% lowearn. DIVIDEND: \$0.00.  
 FINANCE: \$194.2M debt is 6.9X \$28.2M equity.  
 EPS: Dec. Mar. June Sept. Year  
 FY'79 d13cb d20cb 22cb d36cb d47cb  
 FY'80 d 8c 17cb 78c

b-Prop. sale gains: 40c '79; 8c '80.

Position: National mtg. lending, begun in  
 1969, led to foreclosures of major income  
 props. at gross cost: 26 shop. ctrs., 44%  
 of assets w/3.9M sq.ft.; 14 apts., 17% of  
 assets w/3,982 DU; 6 motels, 15% of assets  
 w/1,432 rms.; land parcels, 7% of assets w/  
 858 acres; 6 condo conversions, 7% of assets  
 w/1133 DU. BFS strategy: Sell apts. as condos  
 to repay bank debt, develop land to improve  
 income & cash flow. In 9 mo. to 6/80, shop.  
 ctrs. cash flow 9.6% on gross invest., apts.  
 6.5% on invest. Building Atlanta off. bldg.  
 Debt \$39M bank, \$113M mtgs., rest subor. debt.  
 Registered \$21M sr. notes 7/80. Comment: Hold  
 for long-term recovery; Book estimated at  
 \$13/sh. at 9/79; Holder seeking liquidation.  
 B. F. Saul Co. owns 22%.

1N-SECURITY CAPITL: \$3.88 (SCC-ASE) SHARE DATA:  
 7417T, Net book \$ 6.34; Deprec. \$0.11; Loss  
 resv. \$1.01; Taxloss \$2.04. ASSETS \$97.5M:  
 0% Invstmt prop, 75% Mtgs, 25% Foreclosed;  
 22% nonearn + 0% lowearn. DIVIDEND: \$0.00.  
 FINANCE: \$44.4M debt is .9X \$47.0M equity.  
 EPS Dec. Mar. June Sept. Year  
 FY'79 d1c 6cb 14cb 12cb 31cb  
 FY'80 7ca 11ca 9ca  
 a- 12c taxloss & 12c pretax debent. retire gain.  
 b-Incl. 11c taxloss & 28c pretax sale gain.  
Position: This large mtg. trust is seeking  
 non-REIT acquisitions & has agreed to buy  
 Houston S&L for \$15M cash by early 1981.  
 Assets 28% home mtgs., 29% comcl. mtgs.,  
 19% medical. Paid bank debt w/proceeds of  
 sale of mtg. participations; Debt now: \$5M  
 mtgs., \$28M subor. debent. Offering \$1000 of  
 14% due '87 f/each \$1000 of 7 1/2% '82 & \$950 of  
 14% for each \$1000 of 6% '82, expire 9/18/80.  
Comment: Buy for further prop. improvements &  
 acquisition potential. Smith Barney RE,  
 parent of adviser, owns 12.5% of sh. (Ranked  
 No. 1 on 1/26/79 at \$3.50)

2N-SO ATLANTIC FIN: \$3.88 (SAT-NYSE) SHARE DATA:  
 2706T, Net book \$ 3.57; Deprec. \$0.33; Loss  
 resv. \$4.27; Taxloss \$10.65. ASSETS \$61.6M:  
 10% Invstmt prop, 8% Mtgs, 82% Foreclosed;  
 74% nonearn + 8% lowearn. DIVIDEND: \$0.00.  
 FINANCE: \$42.0M debt is 4.3X \$9.7M equity.  
 EPS: Jan. Apr. July Nov. Year  
 FY'79 d35cb d37c 1.05b d11cb 22cb  
 FY'80 5ca d18ca



b-Incl. \$2.60 swap gain & 22¢ sale gain '79.  
a-60¢ swap & taxloss gains to date '80.  
Position: This former mtg. trust is develop-  
ing properties & selling condos to repay bank  
debt. Assets 43% apts./condos, 45% land; 90%  
Fla. Debt revised: \$17M bank loans @ 8% +  
\$7M int. notes; \$2M swaps 7/2 & repaying past  
due int. of \$11M thru swaps. Rest of debt is  
subor. debts. Comment: Improving spec. on  
lower interest and condo sales.

3N-SOUTHMARK PROP: \$3.00 (SM-NYSE) SHARE DATA:  
6851T, Net book \$ 2.27; Deprec. \$1.01; Loss  
resv. \$2.45; Taxloss \$19.92. ASSETS \$112.8M:  
61% Invstmt prop, 23% Mtgs, 16% Foreclosed;  
29% nonearn + 0% lowearn. DIVIDEND: \$0.00.  
FINANCE: \$81.8M debt is 5.3X \$15.5M equity.  
EPS: 

	Sept.	Dec.	Mar.	June	Year
FY'79	1.77a	d20ca	d 0ca	NM	\$2.00a
FY'80	1c	8ca	6ca		

a-Incl. \$2.38 swap gains & other credits  
FY'79; 11¢ to date '80. Position: This former  
bank sponsored (Cit.&So. Rl.) construc.  
lending trust is selling props. to repay  
debt while trying to keep a core of operat-  
ing props. Assets 58% invest. props., most  
apts. & shop. ctrs., & 26% mtgs. Most Ga.  
& Tex. In 5/80 reduced bank debt to \$61M  
accrued @ 2% to 9/82. In 5/80 reached under-  
standing to exchange 4M shs. for rlt. cos.  
owned by Gene E. Phillips & assets incl. re-  
creational land on Colorado R. in S. Calif.  
+ related notes receivable, office bldg., &  
140,000 of Southmark wts. exercisable for 7M  
shs.; if deal approved, Phillips wld. own 37%  
of Southmark. Comment: Hold; Phillips offer  
has numerous conditions but wld. limit over-  
hanging dilution from wts.

2N-STATE MUTUAL IN: \$5.38 (SMU-NYSE) SHARE DATA:  
5538T, Net book \$ 7.02; Deprec. \$0.05; Loss  
resv. \$0.85; Taxloss \$3.64. ASSETS \$55.4M:  
30% Invstmt prop, 54% Mtgs, 16% Foreclosed;  
63% nonearn + 0% lowearn. DIVIDEND: \$0.00.  
FINANCE: \$9.6M debt is .2X \$38.9M equity.  
EPS: 

	June/Apr	Sept.	Dec.	Mar.(Jan.)	Year
FY'80	19ca	35ca	3ca	3ca	60ca
FY'81	14ca				

a-New FY ending Jan.; Taxloss benefits 28¢  
FY'80; 12¢ FY'81. Position: This life insur.  
co. sponsored mtg. trust merged w/Greenville  
Corp. (controlled by Belzberg family of Can)  
2/1/80, adding approx. \$22M land & rlt. devel.  
in Calif. \$5/sh. value at time of merger.  
Assets 20% apts., 31% land; 38% Cal. All bank  
debt repaid & debt is \$6½M 9% subor. notes  
due 11/15/80 + 6-3/4% convts. + \$2M mtgs.  
Comment: Hold f/poss. active mgmt. by Belz-  
bergs, 50.3% owners, when advisory agmt. w/  
sponsor expires 2/81. Four clients of Peter  
Cundill & Assoc. Ltd. (Can.) own 5.3%.

1N-TIERCO: \$4.25 (TIERS-OTC) SHARE DATA:  
2355T, Net book \$ 9.75; Deprec. \$0.54; Loss  
resv. \$0.00; Taxloss \$3.95. ASSETS \$34.8M:  
49% Invstmt prop, 34% Mtgs, 17% Foreclosed;  
25% nonearn + 15% lowearn. DIVIDEND: \$0.00.  
FINANCE: \$12.1M debt is .5X \$22.9M equity.  
EPS: 

	Mar.	June	Sept.	Dec.	Year
1979	d27c	56ca	4c	84ca	\$1.65a
1980	1c	d1c			

a-1979 incl: \$1.50 debt cancel., 18¢ insur.  
gains, 6¢ sale gain, 41¢ taxloss benefits;  
qtrs. do not add to yr. Position: This once-  
deeply troubled mtg. lender acquired 10/79  
Viking, Inc., owner of \$7.7M notes + Alaska  
land, for 1.16M shs. (or 48%). Most assets  
Okla., Tex., Alaska; heavy office. Debt incl.  
\$8½M superior notes @ 10% w/lender option to  
buy 150T sh. @ \$6 1/83 thru 12/87. Trust re-  
valued assets to mkt. in quasi-reorg. 1/80 to  
add \$2/sh. to book value. Purchase of Pa.  
book publisher off. Comment: Buy at discount  
from book as spec. on profitable use of acq.  
cash.  
(Ranked No. 1 on 10/26/79 at \$3.75)

2N-TOWERMARC: \$4.50 (FMEMS-OTC) SHARE DATA:  
1156T, Net book \$ 7.56; Deprec. \$1.88; Loss  
resv. \$0.62; Taxloss \$7.11. ASSETS \$16.6M:  
56% Invstmt prop, 41% Mtgs, 2% Foreclosed;  
23% nonearn + 36% lowearn. DIVIDEND: \$0.00.  
FINANCE: \$7.1M debt is .8X \$8.7M equity.  
EPS: 

	Feb.	May	Aug.	Nov.	Year
FY'79	1.14a	23ca	d1.26	89c	\$1.01a
FY'80	18cb	19cb			

a-Incl. 49¢ swap gains & 30¢ taxloss bene-  
fits '79. b-Incl. 11¢ taxloss benefits '80.  
Position: Trust completed swapping/selling  
assets 1979 to retire most bank debt; all mtg.  
loans returned to full earning status. Trust  
ended bank ties, became self-admin. 3/80;  
Assets are 42% land/devel., 23% office; 55%  
Tenn., 20% Tex. Developing 40 acre Tampa Ind.  
Park. Sold last of res. units 6/80 for 18¢/sh.  
gain. Morgens-Waterfall has 22.2% & took  
board seat. Comment: Spec. on success in  
new role as rlt. developer & manager.

2N-TRECO INC: \$1.69 (TREC-OTC) SHARE DATA:  
2451T, Net book \$ 1.60; Deprec. \$2.00; Loss  
resv. \$3.98; Taxloss \$19.50. ASSETS \$80.7M:  
65% Invstmt prop, 16% Mtgs, 19% Foreclosed;  
35% nonearn + 50% lowearn. DIVIDEND: \$0.00.  
FINANCE: \$64.5M debt is 16.5X \$3.9M equity.  
EPS: 

	June	Sept.	Dec.	Mar.	Year
FY'80	8ca	11ca	Nil	8ca	27ca
FY'81	7ca				

a-Incl. 15¢ taxloss '80; 3¢ '81. Position:  
Once bank-sponsored Barnett Mtg., this mtg.  
lender went thru private reorganization in  
1978-9, emerging w/large potential dilution.  
Now Fla. corp. Selling props., often to ltd.  
partnerships it organizes & manages. Mtg.  
banking & prop. mgmt. have been entered.  
Most props. southeast & sales repay bank  
debt, now down to \$42M @ 1% to 9/83. Com-  
ment: Shs. sophisticated spec. on expand-  
ing rlt. ops. Bonds: Old 8½s & new pfd.  
convert @ \$1.62/sh. or 6.122M add. shs. Pfd.  
conv. exp. 12/80. Westchase Rlt., Neth.  
Antilles co., owns 8½s convt. to 27.6% in-  
terest; Stanford Phelps to 27.4%.

2N-TRI-SOUTH INV: \$3.50 (TSI-NYSE) SHARE DATA:  
3043T, Net book \$ 6.28; Deprec. \$0.82; Loss  
resv. \$5.23; Taxloss \$5.60. ASSETS \$66.4M:  
17% Invstmt prop, 38% Mtgs, 45% Foreclosed;  
47% nonearn + 17% lowearn. DIVIDEND: \$0.00.  
FINANCE: \$31.8M debt is 1.7X \$19.1M equity.



	Mar.	June	Sept.	Dec.	Year
1979	23ca	1.90a	27ca	30ca	\$2.54a
1980	35cb	3cb			

a-\$1.89 taxloss benefits & restructure gains '79. b-18c taxloss benefits & 41c loss resv. credit '80. Position: This once-large mtg. trust is Ga. corp., ended ties to bank sponsors, seeks use of \$11M taxloss exp. '80. Assets 38% mtgs., 43% condo end-loans; 49% recreational, land & devel.; 28% apt./retirement; 37% Ga., 23% Tex. Debt. incl. \$11M secured bank debt at prime + 2%; \$15M face of 10% sr. notes convt. @ \$2½ into 3.9M add. sh. Comment: Large potential dilution limits sh. appeal. Bonds: 10s of '88 interesting yield & gains play.

5N-TRITON GROUP: \$0.69 (TGL-NYSE) SHARE DATA: 18568T, Net book d\$ 0.65; Deprec. \$0.17; Loss resv. \$1.02; Taxloss \$3.04. ASSETS \$225.7M: 37% Invstmt prop, 42% Mtgs, 21% Foreclosed; 63% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$267.6M debt over d\$23.1M equity.

	Aug.	Nov.	Feb.	May	Year
FY'80	37ca	29ca	81ca	6.71a	8.18a

a-\$7.96 debt restruc. & taxloss. Position: Formerly Chase Man. Mtg., Triton completed Ch. XI reorganization 6/5/80 as follows: Exchange common & new Ser. A pfd. w/\$30.75 liquidate value, voting as common & convt. into 24½ common sh. (=48.5M new sh.) as follows: Repay defaulted 7-7/8% sr. notes @ 90% of par & 7 pfd. sh. (Est. \$1070 value); Swap assets & issue 5.1M new sh. for \$150M bank debt; Pay \$250 cash + 20 pfd. + 100 common (Est. \$840 value) for all subor. debt. Class action settlement. pays 3.5M com. shs. to present holders. New voting lineup (diluted): Subor. debt 77%; Banks 7%; Sr. notes 9%; Current shs. 13%. Subor. debt cmt. nominates 3 of 7 new trustees. Retained assets: 2,700-acre Palmas del Mar resort in Puerto Rico + 3 others w/\$50M net value or abt. 95c/sh. Triton severs ties to former bank sponsor & becomes self-admin. Comment: Unexciting spec. w/est. d65c book 5/80 & 1/sh. taxloss diluted. Amer. Fin'1. bought debt convt. into 19% of diluted shares.

4N-UMET TRUST: \$3.38 (UAT-NYSE) SHARE DATA: 2109T, Net book \$ 1.57; Deprec. \$1.04; Loss resv. \$3.75; Taxloss \$9.96. ASSETS \$49.2M: 0% Invstmt prop, 42% Mtgs, 58% Foreclosed; 8% nonearn + 54% lowearn. DIVIDEND: \$0.00. FINANCE: \$39.5M debt is 11.9X \$3.3M equity.

	Feb.	May	Aug.	Nov.	Year
FY'79	2.79b	d30cb	d40cb	1.99b	\$4.08b
FY'80	d19ca	0ca			

b-Incl. \$5.02 inter. forgive & swap & taxloss credits '79. a-Incl. 5c debt repur. gain '80. Position: This once-large mtg. trust is becoming a realty developer & manager. Assets 36% shop. ctrs.; 47% Southeast. Debt. incl. \$25M bank debt to 12/83, accrues @ 9% & pays 1% cash. Agmt. to combine w/ pvt. Grubb & Ellis ended on uncertainties re ability to restructure bank debt. Comment: Less attractive spec.; mgmt. strong.

2 -UNITED RLTY IN: \$12.63 (URT-ASE) SHARE DATA: 3610T, Net book \$17.63; Deprec. \$0.10; Loss resv. \$0.81; Taxloss \$0.00. ASSETS \$74.8M: 12% Invstmt prop, 59% Mtgs, 29% Foreclosed; 12% nonearn + 24% lowearn. DIVIDEND: \$1.04. FINANCE: \$8.9M debt is .1X \$63.7M equity.

	Feb.	May	Aug.	Nov.	Year
FY'79	20c	21c	24c	25c	90c
FY'80	26ca	26c			

a-Incl. 4c litigation expense recovery '80. Position: Initially LT mtg. lender, URT has moved to restore foreclosures to earning & stress new equity/joint venture investments. Low leverage adds funding capacity. Assets incl. 16% GNMA's (pledged); Fcl./prob. loans 42% hotel/college; 29% apt., 22% office. Comment: Hold for problem loan solution, new equities; Now corp. but stays REIT; Chrmn. L. Weinberg owns 16.6%.

2 -US REALTY INV #: \$13.25 (UTY-NYSE) SHARE DATA: 3406T, Net book \$ 4.08 + Deprec. \$10.74; Loss resv. \$1.37; Taxloss \$2.03. ASSETS \$80.4M: 73% Invstmt prop, 27% Mtgs, 0% Foreclosed; 11% nonearn + 0% lowearn. DIVIDEND: \$0.20. FINANCE: \$62.2M debt is 4.5X \$13.9M equity.

	Mar.	June	Sept.	Dec.	Year
1979	21/33ca	2/15c	7/19c	2/28c	32/95ca
1980	d5/8c	1/12c			

a-21c asset sale gains, 5c taxloss gains '79 Position: This independent Cleveland property trust encountered problems w/mtg. lending begun '69; Most problems behind or controlled. Resumed div. w/ 5c pd. 9/80. Props. incl. 10% joint vent., most w/ Forest City Ent., & owned props. @ cost: 35% hotel/motel w/1548 rms.; 35% shop. ctr. w/3.2M sf; 26% office w/834T sq. ft. incl. Terminal Twr., Cleve. Debt incl. \$44M mtgs. & \$10 M banks; new \$12M rev. credit agmt. to 6/83 let USRI pay div. from CFS & gains. Mgmt. says book value appraised @ \$14.65-\$16.15/sh. over \$4.08 net book. Comment: Buy/hold for long-term recovery; Insiders buying; Lamar Prop. Inc. et al. own 6.1%.

2 -VIRGINIA REIT #: \$19.63 (VARES-OTC) SHARE DATA: 1019T, Net book \$ 8.40 + Deprec. \$6.56; Loss resv. \$0.93; Taxloss \$0.00. ASSETS \$31.1M: 85% Invstmt prop, 6% Mtgs, 10% Foreclosed; 10% nonearn + 0% lowearn. DIVIDEND: \$1.00. FINANCE: \$22.9M debt is 2.7X \$8.6M equity.

	Mar.	June	Sept.	Dec.	Year
1979	11/25c	10/19c	10/19c	16/30c	47/92c
1980	15/31c	8/23c			

Div: Est. '79 was 40-45% return on capital. Position: Trustees accept pvt. investors J. Farinholt & A. Ewing offer of \$21.25/sh. initial cash + 25c in escrow for expenses. Est. net book had been \$18.80/sh. at 8/79. Props. owned at cost are 55% shopping ctr./retail, 37% apts. Debt is all mtgs. Officers & trustees own 26%. Comment: Hold for liquidation.

3N-VYQUEST TRUST: \$4.25 (VYQTS-OTC) SHARE DATA: 1860T, Net book \$ 5.46; Deprec. \$0.71; Loss resv. \$3.39; Taxloss \$9.14. ASSETS \$18.5M: 37% Invstmt prop, 34% Mtgs, 29% Foreclosed; 39% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.2M debt is .4X \$10.2M equity.



EPS: Feb. May Aug. Nov. Year  
 FY'79 d47c 11.54a 50ca d72ca \$10.89a  
 FY'80 20cb d2cb

a-Incl. \$11.06 gains on Ch. XI bankruptcy settlement. & taxloss benefits '79. b-Incl. d14c aborted merger expense. Position: This former mtg./leaseback trust emerged from Ch. XI 3/12/79 & emerges as hotel/motel (43% of assets) & condo (27%) operator. Merger w/Prime Motor Inns, 8% sh. owner, called off 4/80 & Prime sues. Debt is mtgs. & converts. Comment: Hold speculatively.

2N-WACHOVIA RLTY: \$6.38 (WRI-NYSE) SHARE DATA:  
 3335T, Net book \$ 9.61; Deprec. \$0.18; Loss resv. \$3.02; Taxloss \$5.25. ASSETS \$63.0M: 1% Invstmt prop, 62% Mtgs, 37% Foreclosed; 41% nonearn + 4% lowearn. DIVIDEND: \$0.00. FINANCE: \$20.2M debt is .6X \$32.1M equity.  
 EPS: Nov. Feb. May Aug. Year  
 FY'79 d60c d 8c d10c d15c d93c  
 FY'80 46ca 17ca 10ca

a-45c sale gain; 17c inter. recovery & 33c taxloss. Position: This bank-sponsored mtg. trust is slowly curing problem loans & foreclosures. New secured credit to 7/83: \$14M term + \$3M revolving @ prime + 1%. Paid off old agmt. for forgive. of \$1.6M conting. int. Balance sheet clean w/o convts. or wts. Foreclosures 36% shp. ctrs., 23% apts., 24% land. Comment: Recovery spec. but discount from book may be deceptive; Considering mergers.

1N-WALTER REALTY: \$5.75 (WALJS-OTC) SHARE DATA:  
 1035T, Net book \$ 8.53; Deprec. \$0.79; Loss resv. \$1.61; Taxloss \$9.48. ASSETS \$14.9M: 26% Invstmt prop, 23% Mtgs, 51% Foreclosed; 28% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$4.5M debt is .5X \$8.8M equity.  
 EPS: Oct. Jan. Apr. July Year  
 FY'79 27ca d7ca d5ca 31ca 46ca  
 FY'80 1/2cb 31 1/2cb 27cb

a-74c sale gains & 21c taxloss gains '79. b-28c net sale gains & 27c taxloss gain '80. Position: This mtg./property combination trust has worked out most problems, repaid term loan debt to \$3M, & reorganized as Md. corp. Sponsor/adv. Jim Walter Corp. owns 9.7% of sh. & wld. sell or merge/acquire. Assets incl. 26% in Louisville shop. ctr. & 23% Pontiac, MI mob. home. Comments: Buy/hold for merger/tender potential @ about \$9/sh. asking price.

2N-WASHINGTON CO. \$1.50 (TWCX-PHSE) SHARE DATA:  
 1675T, Net book \$ 0.13; Deprec. \$0.00; Loss resv. \$6.45; Taxloss \$12.54. ASSETS \$33.5M: 11% Invstmt prop, 57% Mtgs, 32% Foreclosed; 54% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$25.1M debt is 119.4X \$0.2M equity.  
 EPS: Mar. June Sept. Dec. Year  
 1979 11ca nil-a d1ca 35ca 45ca  
 1980 16cb 20c

a-Swap gains & taxloss ben. 44c '79. b-39c swap taxloss credits '80. Position: Independent Washington, D.C. mtg. lending trust encountered heavy problem loans, has now sold condos & hotels, leaving vacant land at 37% of assets. Two prime suburban D.C. parcels have potential & banks permit bldg. if zoning OK. Condo end loans (32% of assets) to be swapped @ par to banks: \$2M in

'80, \$3.5M '81. For each \$1 repaid, \$1.17 cancelled. \$15.3M bank @ 1% to 12/81, 7% after. Banks hold 609T preferred shs. in lieu of interest. John G. Taylor owns 8.8%. Comment: Spec. buy on merger prospects or land build-out potential; bank deal adds appeal.

2 -WASH RE (WRIT)#: \$37.00 (WRE-ASE) SHARE DATA:  
 1526T, Net book \$15.44 + Deprec. \$6.87; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$40.8M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$2.72. FINANCE: \$18.1M debt is .8X \$23.5M equity.  
 EPS/CFS: Mar. June Sept. Dec. Year  
 1979 44/53c 53/59 4.64/4.72a 56/66 6.16/6.50  
 1980 48/58 59/69

a-Incl. \$4.15 prop. exch. gains. Position: This independent D.C. run trust has established remarkable record (10.9% yearly div. growth rate in '70's) by buying only props. in/near D.C. & managing them closely. Results have been boosted by trebled rents in some comcl. props. Assets 36% office, 35% apts., 29% retail/distrib. ctrs. Debt is all mtg. Forming paired "sister" corp. Comment: Hold/buy for LT income growth + gains on condo potential in remaining apts.

2 -WELLS FARGO M&E: \$21.25 (WFM-NYSE) SHARE DATA:  
 3953T, Net book \$18.46; Deprec. \$1.35; Loss resv. \$1.21; Taxloss \$0.00. ASSETS \$210.7M: 31% Invstmt prop, 65% Mtgs, 3% Foreclosed; 3% nonearn + 11% lowearn. DIVIDEND: \$2.00. FINANCE: \$132.0M debt is 1.8X \$73.0M equity.  
 EPS: Sept. Dec. Mar. June Year  
 FY'79 42ca 40ca 51ca 60ca \$1.93a  
 FY'80 45ca 42ca 56ca 60ca \$2.10a

a-Incl. sale gains: 44c '79; 23c '80/  
Position: This major bank-sponsored balanced mtg./property trust emerged from '70's with few problems & stressing properties in new invest. Invest. props. are 34% apt., 31% off., Jt. ventures (\$24M) are 70% indust. Equity inv. inv. appraised at \$33.8M, or \$8.57/sh. over net book at 6/30/80. Debt is \$111M commercial paper, \$21M mtgs. Comment: Buy/trade for wider spread on lower interest; expanding equities a plus; DeRance Inc. owns 5% & adviser begins buying up to 170T shs. (4.3%).

2 -WESTERN MTG: \$4.25 (WMTGS-BOS) SHARE DATA:  
 1003T, Net book \$ 8.17; Deprec. \$0.61; Loss resv. \$0.74; Taxloss \$0.11. ASSETS \$18.5M: 58% Invstmt prop, 42% Mtgs, 0% Foreclosed; 17% nonearn + 3% lowearn. DIVIDEND: \$0.24. FINANCE: \$9.4M debt is 1.1X \$8.2M equity.  
 EPS: May Aug. Nov. Feb. Year  
 FY'80 26ca 3c 6c 1c 36ca  
 FY'81 4c

a-Incl. 24c sale gains. Position: This smaller mtg. trust has overcome problems but small capital base limits appeal. Looking for inv. props., only new loans have equity participation or provide overages. Debt is \$3M bank \$6M mtg. Comment: Recovery spec.; insiders buying.

2N-WESTPORT COMPNY: \$5.38 (WSPTS-OTC) SHARE DATA:  
 2388T, Net book \$ 6.07; Deprec. \$0.33; Loss resv. \$4.67; Taxloss \$5.57. ASSETS \$51.4M: 33% Invstmt prop, 34% Mtgs, 34% Foreclosed; 47% nonearn + 0% lowearn. DIVIDEND: \$0.00. FINANCE: \$25.0M debt is 1.7X \$14.5M equity.



EPS:	Jan.	Apr.	July	Oct.	Year
FY'79	d1½¢	d1½¢	d4½¢	1.61a	\$1.53a
FY'80	Nil-b	d6¢	1¢		

a-\$1.45 asset sale & 9¢ swap gains '79. b-Incl. 13¢ swap & taxloss gains '80 to date.  
Position: This former bank-sponsored mtg. trust is emerging as realty developer/mgr. Assets 30% office, 25% land. Debt incl. \$19.4M bank loans ext. to 8/81 @ 2% over prime, was 5% min. Comment: Spec. buy at discount from book; Insiders own 31% of shs. & Deltec Panamerica S.A. owns 9.7%.

2 -WISCONSIN REIT: \$5.13 (WREIS-OTC) SHARE DATA:  
 1514T, Net book \$ 6.13; Deprec. \$3.12; Loss resv. \$0.00; Taxloss \$1.45. ASSETS \$42.9M: 66% Invstmt prop, 34% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.10. FINANCE: \$32.1M debt is 3.5X \$9.3M equity.  

EPS:	Mar.	June	Sept.	Dec.	Year
1979	1¢	5¢a	41¢a	22¢a	69¢a
1980	39¢a	d20¢a			

a-Incl. taxloss benefits: 32¢ '79; 8¢ '80 + 23¢ sale gains. Div: Pd. 6¢ special 6/80.  
Position: This non-qualified business trust, independently mngd., has moved into house/condo bldg., mainly developing surplus land via Orlando homebldr. Bldg. produced 66% of '79 revenues & \$3.67M gross profit. Rental props. (49% of assets) lost \$625T from operations. Comment: Hold/buy; Chicago investor Clyde W. Engle & his Telvest, Inc., 20.3% sh. owner, won proxy fight & took control 6/20/80. June Q loss due to expensive proxy fight.

NR-INTL INC PROP #: \$10.50 (IIPI-OTC) SHARE DATA:  
 1865T, Net book \$ 8.76 + Deprec. \$0.93; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$25.3M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.67. FINANCE: \$9.6M debt is .6X \$16.3M equity.

NR-OLD DOMINION #: \$7.50 (ODRES-OTC) SHARE DATA:  
 704T, Net book \$ 6.32 + Deprec. \$2.79; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$20.1M: 99% Invstmt prop, 1% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.60. FINANCE: \$15.4M debt is 3.5X \$4.4M equity.

NR-PITTS & W VA RR: \$6.00 (PW-ASE) SHARE DATA:  
 1510T, Net book \$23.30; Deprec. \$5.39; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$37.6M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.56. FINANCE: \$0.1M debt is 0X \$34.9M equity.

NR-RL EST INV PRP#: \$10.50 (REIPS-OTC) SHARE DATA:  
 959T, Net book \$ 7.42 + Deprec. \$1.30; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$6.6M: 100% Invstmt prop, 0% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.36. FINANCE: \$0.3M debt is 0X \$7.1M equity.

NR-REIT OF CALIF: \$17.00 (RTCAL-OTC) SHARE DATA:  
 719T, Net book \$10.29; Deprec. \$1.45; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$9.0M: 74% Invstmt prop, 26% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.67. FINANCE: \$3.3M debt is .4X \$7.4M equity.

NR-CITINATL DEV: \$8.00 (N/A-OTC) SHARE DATA:  
 600T, Net book \$13.30; Deprec. \$0.00; Loss resv. \$1.23; Taxloss \$2.08. ASSETS \$8.7M: 0% Invstmt prop, 14% Mtgs, 86% Foreclosed; 18% nonearn + 68% lowearn. DIVIDEND: \$0.00. FINANCE: NO debt over \$8.0M equity.

NR-TERRYDALE RLTY#: \$21.00 (TRYLS-OTC) SHARE DATA:  
 337T, Net book \$13.45 + Deprec. \$11.20; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$20.4M: 99% Invstmt prop, 1% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.80. FINANCE: \$15.5M debt is 3.4X \$4.5M equity.

NR-CONSOL CAP INCO: \$25.88 (CCITS-OTC) SHARE DATA: NR-UNIVERSITY REI#: \$10.75 (URETS-OTC) SHARE DATA:  
 4000T, Net book \$22.99; Deprec. \$0.00; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$44.5M: 0% Invstmt prop, 100% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$2.64. FINANCE: \$20.8M debt is .2X \$92.0M equity.  
 2514T, Net book \$ 7.84 + Deprec. \$1.51; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$53.3M: 79% Invstmt prop, 21% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.32. FINANCE: \$34.4M debt is 1.7X \$19.7M equity.

NR-DEL-VAL FINCL: \$11.00 (DVALS-OTC) SHARE DATA: NR-US EQUITY & MTG: \$8.50 (USEM-OTC) SHARE DATA:  
 1345T, Net book \$ 9.19; Deprec. \$0.00; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$23.9M: 6% Invstmt prop, 94% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.50. FINANCE: \$8.9M debt is .7X \$12.4M equity.  
 1078T, Net book \$ 2.38; Deprec. \$3.17; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$10.3M: 84% Invstmt prop, 16% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.10. FINANCE: \$7.1M debt is 2.8X \$2.6M equity.

NR-GENERAL RE SHS#: \$11.00 (GRELS-OTC) SHARE DATA: NR-USP RE EST INV#: \$8.25 (USPTS-OTC) SHARE DATA:  
 557T, Net book \$ 7.80 + Deprec. \$7.97; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$8.0M: 85% Invstmt prop, 15% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$1.54. FINANCE: \$4.1M debt is 1X \$4.3M equity.  
 2500T, Net book \$ 7.42 + Deprec. \$2.00; Loss resv. \$0.00; Taxloss \$0.00. ASSETS \$49.5M: 93% Invstmt prop, 7% Mtgs, 0% Foreclosed; 0% nonearn + 0% lowearn. DIVIDEND: \$0.81. FINANCE: \$31.4M debt is 1.7X \$18.6M equity.



REIT TAX STATUS: Most dividend paying trusts qualify as real estate investment trusts/corporations and are exempt from Federal income taxes to the extent they distribute 95% (90% before 1980) of income to shareholders. Distribution of capital gains is optional; gains may be distributed or retained after tax is paid. Non-qualified trusts/corporations have no dividend distribution requirement and can retain earnings or use taxloss carryforwards to shelter future profits. Non-qualified entities can engage in real estate operating and development activities not permitted for qualified trusts, which must remain passive.

Technical notes: Net cash flow per share (CFS) is computed by Audit as: Net income plus depreciation and partnership distributions in excess of earnings less mortgage principal payments and remodeling reserves. Intangibles: Accumulated depreciation is added to book value by Audit to approximate market value of properties for cash-flow trusts, denoted #; Loss reserves normally will be spent unless recaptured via accelerated dispositions; Taxloss carryforwards are regarded as worth 10% to 25% of amounts shown but value varies widely, and buying stock solely on taxloss basis is not advised.

Assets are shown in three categories: Mortgages incl. short-term construction & development loans, long-term mortgages, junior mtgs. and wrap-around loans (see Realty ReFund for definition); Properties incl. directly owned buildings, land, and leasebacks classed as investment properties, plus foreclosed properties reclassified as investment properties, and joint ventures and partnerships; and Foreclosures incl. both operating and non-operating properties if held for resale.

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#### MAJOR REVIEW CHANGES IN THIS ISSUE

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American Century Mtg.	Florida Gulf Rlty.	Nova REIT
American Equity	General Growth Properties	Pacific-Southern Mtg.
American Realty	Gould Investors	Plaza Realty
API Trust	Great American Mgmt. & Inv.	PNB Mortgage
BankAmerica Realty	GREIT Realty	Property Capital
BRT Realty	Growth Realty	Property Trust America
BT Mortgage	Guardian Mortgage	Realty & Mortgage Pacific
Cameron-Brown Inv. Gr.	Hamilton Inv.	Realty Income
Central Mtg.	Hanover Square Rl.	Republic Mtg.
C.I. Mortgage	Hospital Mtg.	San Francisco REI
Citizens Mtg.	Independence Mtg.	B.F. Saul REIT
Commonwealth Rlty.	Institutional Inv.	Security Capital
Consolidated Capital R.	IRT Properties	South Atlantic Financial
Continental Mtg.	Kenilworth Rlty.	State Mutual Inv.
Denver REIA	Kentucky Property	Towermarc
Eastover Corp.	Lifetime Communities	UMET Trust
Equitable Life M&R	Maryland Rlty.	United Realty Inv.
Federal Realty	Midland Mtg.	Virginia REIT
FGI Investors	Henry S. Miller	Wachovia Realty
First Continental	Mission Investment	Washington Corp.
First of Denver Mtg.	Moraga Corp.	Western Mtg.
First Mortgage	Mortgage Inv. Washington	Westport Co.
First Pennsylvania Mtg.	Nationwide	Wisconsin REIT
First Union Rl.		